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# Southeast Asia Report

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14 June 1985

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AUSTRALIA

LOCAL GREEKS PETITION HAWKE AGAINST U.S. BASE

Melbourne THE AGE in English 10 Apr 85 p 4

[Article by Michelle Grattan]

[Text]

CANBERRA. — The Prime Minister, Mr Hawke, yesterday as good as told representatives of the Greek community that Pine Gap would not be used to spy on Greece.

Most of the 17-member delegation left more or less convinced after a 90-minute meeting with Mr Hawke. But some continued to express serious reservations.

The Prime Minister neither confirmed nor denied to the 17-member delegation that the joint base would be used to eavesdrop on Greece.

But Mr Hawke and the Defence Minister, Mr Beazley, assured the Greeks that the bases would be used only in accordance with the ALP platform and policy. This policy, they told the Greeks, gave special importance to developing relations with other democratic socialist states.

The two ALP leaders also said that no Australian intelligence organisations were allowed to engage in activities capable of destabilising or activities designed to destabilise other governments or to work with foreign intelligence organisations to such ends.

After the meeting, the Greeks said they were still "extremely disappointed" that the Government had not directly confirmed or denied the reports about plans to use Pine Gap to spy on Greece.

A statement said the representatives, while accepting the ministers' assurances, would maintain a close vigil on developments.

Mr Beazley said he and Mr Hawke had explained in great detail why they could not confirm or deny reports like the one in the 'National Times' which led to the meeting. To do so, he said, would lead the Government into discussions of the capacity of the US facilities.

Government sources said later that the Greek authorities had called in Australian embassy representatives in Athens and the Democrats leader, Senator Chipp, said the Greeks might be satisfied with the Prime Minister's assurances but the Democrats were not.

Meanwhile, 15 people were arrested in Alice Springs yesterday at the second demonstration in a week against the Pine Gap base. Last week, four people were arrested after they had delayed the approach of another transport plane by cycling onto the tarmac a minute before it was due to land.

CSO: 4200/939

AUSTRALIA

## WHEAT SCANDAL THREATENS EXPORTS

Sydney THE AUSTRALIAN in English 4 Apr 85 p 1

[Article by Nigel Austin]

[Text]

A MAJOR scandal involving the export of mixed batches of premium-quality and low-quality wheat has jeopardised Australia's international wheat trade.

The crisis, the worst to affect Australia's reputation as a primary producer since the infamous kangaroo meat substitution crisis of mid-1981, threatens to cost the nation millions of dollars.

Worst affected is the \$180 million Japanese market which ranked in value behind only Egypt, the Soviet Union and China in 1983-84.

The wheat industry is expected to be significantly affected by the news. In the past, Australia has been successful because of its reputation for supplying high-quality wheat to specification.

Recently, however, inferior-quality sprouting grain, normally used for stockfeed, has been mixed with prime-quality wheat because of careless handling at the export terminals of the Grain Handling Authority of NSW (GHA) in Sydney and Newcastle.

When used for making noodles, the adulterated flour has little strength and collapses.

Several shipments to Japan and other markets have been affected.

Though the mixing has affected only small tonnages of each cargo, the international backlash is expected to be appalling.

An industry official said last night that NSW's wheat trade was at risk because the State was increasingly unable to export wheat on time, or supply to product specifications.

A spokesman for the Australian Wheat Board (AWB) tried to downplay the scandal as much as possible to minimise the effect on Australia's overseas reputation, but admitted the problem was caused by carelessness in the GHA system.

The crisis is the latest in a long-running series which has created a rift between the wheat industry and the GHA over its management of wheat handling in NSW and exports.

Last Friday, a ship left NSW for Japan with a consignment of prime-quality wheat mixed with sprouted wheat.

It followed two earlier mixed shipments to Japan this year and another last year. Allegations of similar inferior shipments to other countries have also been made.

The State's deteriorating export reputation has already caused wheat buyers to turn to other States and other countries.

Nobody could be contacted at the GHA yesterday to discuss the problem, despite repeated efforts.

In early January, *The Weekend Australian* revealed the GHA's involvement in carrying over 3.2 million tonnes of wheat, costing the nation at least \$100 million.

Wheat-industry officials yesterday blamed GHA management for the latest problem, because it controlled the day-to-day operation of the terminals, rather than board members.

The AWB said the problem was occurring because pres-

sure on the GHA to export wheat was straining the authority's resources and there were inadequate controls at the seaboard terminals.

The GHA has been under considerable pressure to speed up exports to prevent a similar carry-over to last year's.

Wheat industry officials also placed considerable blame on the NSW Government for failing to exert sufficient pressure on the GHA to upgrade its management control over grain handling.

Last Friday's shipment was correctly consigned from country storages, but mixed with inferior-quality wheat at the Newcastle terminal.

The problem with previous shipments occurred at both country storages and seaboard terminals.

### Reputation

A senior wheat industry official described the latest mixed shipment as "unbelievable". "What does it take before the GHA gets its act together?" he asked.

The board's marketing manager, Mr Bob McCarthy, when questioned, admitted the problem had caused a lot of embarrassment and difficulties for the Australian wheat industry.

Australia was compensating overseas buyers for inferior-quality wheat and trying hard to confine the effects of the substitution, he said.

"We're moving quickly with buyers to preserve our reputation by owning up to the problem," Mr McCarthy said. "The aim is to maintain our integrity and downplay and neutralise the effects."

Livestock and Grain Producers Association (LGPA) grain secretary Mr Don Wilkinson said NSW had to make sure the problem did not happen again. He also blamed the GHA's antiquated export system for the crisis.

The LGPA, fast running out of patience with the GHA, was not calling for dismissals at this stage, but wanted the problem solved, Mr Wilkinson said.

The NSW wheat industry has another problem emerging from under the tarpaulins covering millions of tonnes of wheat in temporary storages around the State.

Mr Wilkinson said there was an increasing amount of wheat being affected by high moisture content resulting from condensation and water leaking into the temporary bunkers.

CSO: 4200/939

AUSTRALIA

DAILY ANALYZES GOOD, BAD IN ECONOMIC PROSPECTS

Sydney THE SYDNEY MORNING HERALD in English 9 Apr 85 pp 15, 16

[Article by Peter Freeman: "The Good Outweighs the Bad on Australia's Economic Prospects"]

**[Text]** The Australian economy is on the path to recovery, despite uncertainty in some quarters. One of the keys to recovery is maintaining the upturn in consumer spending, as PETER FREEMAN reports.

Australia's economic recovery, which began in earnest 18 months ago, is showing little sign of faltering, despite the current uncertainty in financial markets caused by the slump in the value of the dollar.

With most of the key sectors of the economy performing impressively, there is growing confidence among economists that strong growth will be sustained at least until the end of the year.

Yet, as with the 1984 upturn, there are a number of developments which provide reason for caution. These are held aloft by economic pessimists as indicators that the recovery could run out of steam.

For the Hawke Government, well aware of the importance to the economy of business confidence, the main worry is the tendency of industry leaders to be swayed more by the bad than the good economic news.

Some of this uncertainty would have been removed if Australia's first and only index of leading economic indicators, launched earlier this year, had not run into problems.

Compiled by the Australian Chamber of Commerce and the Melbourne University's Institute of Applied Economic and Social Research, the index measures current factors which point to the future level of economic activity.

Unfortunately, computer and funding problems mean the index has not gone any further than its launch and may eventually be cancelled.

In the absence of a leading index, forecasters need to fall back on the traditional statistics.

On the positive side of the economic ledger are a strong (and long hoped-for) recovery in retail sales, the continued boom in motor vehicle sales, low inflation, strong employment growth and

higher business investment.

These are all very encouraging developments. Against these need to be set a number of economic problems as well as several indicators which give a tentative pointer to a possible slowdown in the economy.

The key problems are the interrelated ones of Australia's burgeoning current account deficit and rising interest rates.

The negative indicators include a slowdown in the housing industry, low manufacturing production figures, static stock levels and a dip in two important series — that on employment advertisements compiled by the ANZ bank and the Melbourne University's Institute of Applied Economic Research's consumer confidence survey.

In the case of the negative indicators, possibly the strongest reason for not getting overly concerned about these can be drawn from recent experience with retail sales statistics.

As 1984 progressed there was growing concern at the failure of retail sales to record a sustained recovery. Even by November their growth was barely keeping pace with inflation.

This was despite the strong recovery by the rural sector, a big lift in housing construction and a surge in car sales. All these factors should, the argument ran, have been quickly followed by a lift in retail sales.

By the end of the year even the optimists, who had been putting forward reasons to explain why sales were lagging, were showing signs of concern.

In the event, the December 1984 and January 1985 figures have at last given clear evidence that consumers have begun to spend strongly. For the three months ending January, retail sales increased by 3.7 per cent — the biggest quarterly rise since October 1981.

Crucial was the fact retail sales rose by 2.5 per cent, seasonally adjusted, in January, thereby continuing the traditional strong Christmas sales surge.

Retailers, who had greeted all previous figures cautiously, were unrestrained in hailing the January performance as the best news for retailers since 1981, adding that conditions in the industry

should improve.

Thus, although the recovery in retail sales was slow in coming, those who argued that the current recovery would follow the pattern of the past, with consumer spending following on from an initial, largely government-funded housing stimulus, have been borne out.

Of particular significance is that a lift in consumer spending provides an important stimulus for increased investment by business.

Figures released last month show that in the December quarter total real fixed capital expenditure by private enterprises in selected industries, seasonally adjusted, reached an estimated \$2.67 billion — nearly 4 per cent above the September quarter and 9.4 per cent higher than a year earlier.

As well, a Bureau of Statistics survey in January/February indicated capital spending for the current financial year would reach \$15.96 billion — 11 per cent higher than in 1983-84 and 1.6 higher than the previous expectation recorded in the October/November survey.

The only qualification that needs to be added is that the December quarter rise in actual capital expenditure was concentrated entirely in new buildings and structures whereas spending on new capital equipment was virtually unchanged. Further, spending on such equipment was below the level of the March and June quarters 1984.

The three other positive economic factors are the strong growth in car sales, lower unemployment and the drop in the inflation rate.

In 1984 new motor vehicle registrations reached 638,745 — 3.6 per cent higher than the previous record set in 1982. Further, the latest figures show sales remained strong in January when the highest daily sales figure for any January in the past seven years was recorded.

This lent weight to industry forecasts that 1985 sales should set another annual record by reaching 645,000.

The latest employment figures, which were revised upwards in mid-March, are even more encouraging. These show that employment grew by 110,000 in the eight months to February with the strongest growth occurring in January and February.

The growth in jobs has resulted in a steady slide in unemployment with the level falling steadily from 9.5 per cent in February 1984 to 8.3 per cent in February 1985. In absolute terms this means there are now 60,000 fewer people without jobs.

Finally, the inflation figures also continue to improve with the consumer price index rising by only 5.1 per cent in 1984, after excluding the Medicare effect — the lowest level since late 1972.

In the latest December quarter the CPI rose by 1.4 per cent and, while the fall in the value of the Australian dollar is expected to put some upward pressure on inflation, the Federal Government's Budget forecast of 5.25 per cent inflation in 1984-85 seems likely to be realised.

Against all these positive factors must be set those which are less encouraging, the most important of which is probably the blow-out in the

current account deficit. This is the shortfall between what Australia earns from exports, overseas investments and the provision of services and what we pay out for imports, interest and dividend payments and services (such as shipping.)

This deficit has grown rapidly in the past six months and is now headed towards \$11 billion this financial year.

The twin result of this has been the steep fall in the value of the Australian dollar and, to a certain extent, the recent sharp rise in interest rates.

While the weaker dollar provides benefits by making Australian goods more competitive internationally, too great a fall would also inject a worrying boost into inflation.

It would also put further upward pressure on interest rates, partly because capital flowing into Australia needs to be compensated for the risk of exchange rate losses.

The fear is that higher interest rates, by making business borrowing more expensive, will dampen future capital investment.

On a more positive note, the fall in the value of the dollar should help choke off imports and boost exports, thereby helping to reduce the current account deficit and so ease pressure on both the exchange rate and, one step removed, interest rates.

The other factors which prompt a cautious approach to Australia's immediate economic future are the slowdown in the housing industry, low factory production, static stock levels, and a slip in both employment advertisements and consumer confidence.

After growing strongly for most of 1984 the number of private dwellings approved in December stagnated at November's level while the number of approvals for the December quarter fell by 1.5 per cent compared with the previous quarter.

Manufacturing production fared even worse in the December quarter with the Bureau of Statistics index of manufacturing production showing output dropped 2.7 per cent in contrast to a 0.3 per cent rise in the September quarter.

The December quarter fall was attributed partly to an increase in imports, a development which should be reversed following the February devaluation.

The latest figures for manufacturers' stock levels do not suggest any buoyancy in this sector with the ratio of stocks to sales holding firm at 0.75 in the December quarter. This has been little changed for the past 12 months.

But while economic recoveries have usually been associated with restocking, the low ratio, which also applies for the whole non-farm sector, may merely represent greater business efficiency following the

chastening, high interest rate experience of the early 1980s when holding high levels of stock was extremely costly.

In the case of the ANZ bank's employment advertisement series and the Melbourne University's consumer confidence index, both have been disappointing recently.

After rising strongly for most of the past 12 months the ANZ series fell by 0.4 per cent in February, although at 21,160 the number of weekly job advertisements was well above the level in February 1984.

As for the consumer confidence index, this ended 1984 on a cautious note by declining 3.2 points in December to 114.6. In January it recovered only marginally to 114.8. This compares with the seven-year peak of 124.6 reached in January 1984.

But while this, together with the other negative factors examined above, mean there must be some doubt about the immediate economic future, the balance of evidence so far points to solid growth in 1985.

CSO: 4200/939

AUSTRALIA

CANBERRA DRIVES UP INTEREST RATES TO PROP DOLLAR

Sydney THE AUSTRALIAN in English 10 Apr 85 p 1

[Article by Robert Bowden]

[Text]

FOR six weeks the Federal Government has been deliberately forcing up interest rates in a so far unannounced action to prop up the ailing Australian dollar.

The Treasurer, Mr Keating, has embraced a strategy of clamping down on growth in the money supply, a move contributing directly to the recent sharp rise in interest rates but one which it is hoped will strengthen the dollar.

It is a particularly difficult option for Mr Keating, since he predicted during the federal election campaign last year that interest rates would fall toward the end of the financial year.

He has now been forced to employ a policy which is deliberately forcing rates higher while hiding behind the explanation of "seasonal pressures".

Government sources confirmed yesterday that there had been a significant tightening of the money supply since February which had led to the rise in market interest rates, including housing rates.

The policy aims to create a sufficient differential between local and overseas interest rates to attract funds into Australia in order to prop up the dollar.

However, so far no one in the Government, including Mr Keating, has admitted to this course of action, and instead explain the interest rate rise as part of the seasonal tax

run-down.

In fact, the Government has exacerbated the liquidity rundown by selling securities and withdrawing funds from the market, thus forcing up interest rates.

Federal Cabinet yesterday discussed the dollar's volatility but decided to stick with the present approach.

With Mr Keating overseas until Monday and the dollar performing better on the local market, Cabinet decided to ride out the monetary problems.

Sources said evidence that the strategy was working were the differences in short-term interest rates between Australia and abroad. Ninety-day bills now trading locally at yields of 15 to 16 per cent are at about 9 per cent on the Eurodollar market.

The approach is similar to that employed by the British Government last October when sterling plummetted against major currencies.

Sources said there was little likelihood of any other offsetting action unless the clamp on the money supply failed to produce a stronger dollar.

"If we got into a situation where we tightened the monetary growth, and it responded, but the exchange rate was still down, we would have a serious problem," one official said.

In effect, Mr Keating has taken a tough economic line aimed at overcoming the currency problem while accepting the short-term cost of higher interest rates to busi-

ness and home buyers.

Any strategy which forces interest rates to artificially high levels also holds the potential to choke off economic recovery.

The rise in short-term market rates was a direct factor leading to the recent lift in home interest rates by the ANZ, National Australia and Westpac banks.

Mr Keating abandoned monetary targets in February when money supply growth went as high as 13 per cent, claiming the effects of bank deregulation had made the figures meaningless.

The scrapping of the targets has been a factor in the perceptions of the money market that the Government has gone soft on monetary policy.

The move to head off excess monetary growth was aimed at both restoring the value of the dollar and arresting the possibility of renewed inflation.

The Deputy Leader of the Opposition, Mr Howard, said there were very limited options available to the Government to reverse the dollar's slide.

There was little doubt that Mr Hawke's MX missile breakdown was a watershed in the attitude of many international investors to the Government, he said.

CSO: 4200/939

AUSTRALIA

**COMPANIES' REPORTS ILLUSTRATE 'DRAMATIC' COLLAPSE OF DOLLAR**

**Oil, Gas Firm's Foreign Exchange Losses**

**Sydney THE SYDNEY MORNING HERALD in English 12 Apr 85 p 19**

**[Text]**

Santos Ltd has been left with a gaping unrealised foreign exchange loss on its extensive offshore borrowings by the collapse of the dollar.

The oil and gas group's latest annual report shows that its debts at the end of 1984 were \$96 million more than the \$940 million shown in the books. The \$96 million unrealised loss will have blown out to \$300 million as the exchange rate against the US dollar has deteriorated from Santos' December 31 rate of US0.8236c to the recent US0.66c.

The debts underlying the unrealised losses do not begin to fall due for repayment until 1986, with the bulk repayable beyond 1987. As a result, Santos faces no immediate commitment to stump up the additional Australian dollars the mostly US dollar based foreign debt now represents.

But its method of accounting for the losses will take a large slice from its post-extraordinaries earnings, unless there is a sharp reversal in the fortunes of the local currency. The additional local currency interest costs on these borrowings will also hit profits.

Fortunately for Santos, though, the assets supported by the foreign borrowings are producing crude oil, condensate, butane and propane, products where returns are based on US dollar prices.

In the wash-up of gains and losses Santos should come out in front on its export and domestic sales — provided the local currency price gains are passed on through Australian Government adjustment to the parity price.

The foreign debt is made up of US\$644 million and 130 million Swiss francs, the latter actually generating a \$1.19 million unrealised gain as at December 31, but now throwing up a \$15 million unrealised loss. At US0.66c to the local dollar, the greenback debt is showing a \$290 million loss over original book value.

To cope with these distortions Santos in its latest year moved to booking such unrealised losses to an exchange fluctuation account and amortising these against the profit and loss statement as extraordinary items in proportion to the life of the loans.

This saw \$8.7 million charged at December 31 rates. Had the current exchange rates for the Swiss and US currencies prevailed at year-end, the extraordinary charge against profits would have totalled \$27.3 million, which would have trimmed its ultimate attributable profit from the \$71 million declared to \$62 million.

Assuming a US70c exchange rate, the overall unrealised loss would have been \$250 million and the charge against earnings \$22.7 million. As well as these book entries for the unrealised losses there is a very real cash impact — in local dollar terms — on the cash interest payments the company would make.

Santos' interest bill last year was \$78 million, reflecting that average borrowings would have been down around \$700 million over the year compared with the year-end \$940 million.

Assuming a full-year of only the foreign currency debt as at December 31 last — about \$120

million of the \$940 million total appears to be local currency — a likely average US\$0.85 exchange rate for last year and a 12 per cent interest rate, the interest bill for last year would have been \$90 million.

Brought down to exchange rates of US66c and US70c, the interest charge would go up to \$117 million or \$110 million respectively, which would require Santos to provide up to \$27 million more in local currency payments.

Offsetting this would be the increased local currency revenue coming from the roughly 70 per cent of its sales tied effectively priced in US dollars.

Annualisation of the 1984 final quarter production figures for Santos and applying exchange rates of US66c and US70c produces an additional \$70 million or \$50 million of revenue beyond the notional \$233 million of non-gas, US dollar related revenue which would be provided at US\$0.85.

This would more than offset the theoretical additional interest and loan-loss amortisation charges to be incurred with the exchange rate collapse.

These would be about \$54 million and \$43 million at the US66c and US70c rates, so that so long as the US dollar related revenues are fully translated there is a filip to the final profit of Santos.

Meanwhile, the Santos balance sheet shows the group holding \$203 million cash and deposits at its year-end compared with \$105 million a year earlier.

## Woodside's Potential Losses

Sydney THE SYDNEY MORNING HERALD in English 12 Apr 85 pp 19, 21

### [Text]

Woodside Petroleum Ltd's \$1.1 billion of North West Shelf development loans are currently showing potential losses of \$800 million because of the Australian dollar's plunge.

The scope of the unrealised losses is outlined in the group's latest annual report. The report also shows that Woodside's \$700 million of unused tax deductions and other hidden assets were an added inducement for BHP and Shell's \$1.60 a share offer.

The scale of potential foreign exchange losses would undermine earnings should the Australian dollar remain below US70c at the end of the year — particularly combined with the additional actual Australian dollar cash cost of interest on the borrowings.

It may be these pressures BHP and Shell alluded to in their statement that their takeover bid is to ensure the export phase of the North West Shelf project goes ahead.

In its annual report, Woodside repeats that it is confident it can fund its reduced Stage Two share almost to the cashflow stage from the \$320 million plus interest paid by Shell, BHP and the Japanese partners to upgrade their positions or to join the venture. Suggestions otherwise are likely to be robustly denied by independent directors in their response to the bid.

Woodside's stated policy on unrealised exchange losses would see it charge \$50 million each year against its profit and loss account based on yesterday's US67c dollar and the \$500 million unrealised loss it produces. Unlike its domes-

tic oil and gas rival Santos, this cost would be booked above the line rather than as an extraordinary cost, and therefore would affect earnings per share.

The Woodside annual report, released yesterday, shows that of December 31 some US\$935 million of loans, translated initially to the group accounts at \$1.062 billion, were showing an unrealised exchange loss of \$143.5 million.

The company has since drawn down a further US\$65 million, to take its total US-denominated loan funds to the even \$US1 billion, worth \$1.515 billion yesterday.

Because the domestic phase of the North West Shelf project does not move beyond the commissioning phase until July this year, no proportional account of the potential loss on repayment on the US dollar loans was taken last year.

But as Woodside's policy is to amortise such losses or gains over no longer than the life of the loan, and total repayment is due by 1995, a full year of operation would require \$50 million to be wiped from profits.

Woodside has some protection against the gyrations of the Australian dollar as its pricing formula has a correlation to the oil price, which is determined in US dollars and translated to Australian dollars. The price is also pegged partly against the consumer price index.

Last year's total revenue from gas sales and a small amount of condensate came to \$31 million when the project was running for only four months at one-sixth the rate projected once commissioning is complete in July.

On this basis, Woodside's first full year of operation would produce sales of around \$540 million.

Should about a quarter of any oil price increase induced by the dollar's weakness be translated to the gas price, this would add around \$30 million or so to potential sales compared with the \$50 million charge that would be required to account for the future losses.

As a non-cash charge, the unrealised loss item would impinge only as a book-keeping entry unless the relationships between the two dollars were to remain in their current state for the next decade.

The additional income which would flow from the weaker dollar would, however, be in real cash, which would be necessary to help offset the rise in Australian dollar interest charges on what is now \$1.5 billion, rather than \$1.2 billion at year-end, of foreign currency debt. At 12 per cent, the gross difference is \$36 million.

There was also a further \$200 million of local currency borrowings attributable to the North West Shelf at year-end, which would add another \$25 million or so to interest payments. Last year interest charges totalled \$160 million, although \$161 million was capitalised to the shelf project.

Given the likely level of annual income after commissioning of about \$540 million, Woodside would be unlikely to be troubled in meeting its interest costs. This cash will fall relatively evenly, given that operating expenses in such a capital intensive operation will be low.

The \$645 million of tax benefits attributable to Woodside but not booked in its accounts as an asset will ensure the full benefit falls to the bottom line and also add an intangible asset worth perhaps \$300 million to Woodside.

Along with the \$150 million by which the market value of its half of Vangas Ltd exceeds its \$7 million book value, this would take net shareholders' funds from the stated \$830 million to about \$1 billion — representing an asset value of \$2 a share compared with the \$1.60 on offer from BHP and Shell.

## Philips Profits Endangered

Sydney THE SYDNEY MORNING HERALD in English 12 Apr 85 p 19

### [Text]

Philips Industries Holdings Ltd's stringent approach to unrealised foreign exchange losses or gains has the potential to almost eliminate reported profits for the electrical and electronics group which last year posted net earnings of \$10.6 million.

Philips' Dutch parent is renowned worldwide for its advanced but rigorous approach to accounting, and the latest annual report for the local offshoot suggests it may be driven back into the red by its own high standards after battling back from two years of heavy losses.

The Philips' approach is to charge any potential gains or losses from foreign currency debts directly to the profit and loss account as they arise, rather than the soon-to-be-standard approach in Australia of providing for such amounts in an exchange fluctuation account and amortising these against the profit and loss account over the life of the loan.

Last year this approach saw its foreign debt, which appears to consist entirely of \$33.2 million of US dollar loans, generate a \$2.3 million charge against earnings.

But the notes to the accounts in the 1984 annual report reveal that on March 1 last, when the \$A:US\$ rate was at US71c, the exchange loss, unrealised and realised, would have been \$6.935 million.

Given the further deterioration in the exchange rate to around US66c, the unrealised loss by now should be around \$9.4 million.

This deterioration will also probably add a further \$1 million-odd to an interest bill, which last year totalled \$13.1 million and will in any case be rising because of increased domestic rates, themselves in part a reflection of the dollar weakness.

Without any further trading impact from the effects of the weak dollar on increased prices for its imported goods and as a depressant for its Homecraft chain, the two directly currency related items — one a non-cash book entry and the other a physical item — would virtually eliminate last year's profit, before tax and excluding currency adjustments, of \$12.5 million.

Were Philips to adopt the more conventional approach of amortising the unrealised losses, its medium term foreign currency loans would generate charges at between one third and one half that rate.

In both cases there is no effect on the underlying trading and cash flow position, although reported profits suffer greatly under Philips' policy.

This is not unusual for an offshoot of a company which introduced in the 1920s, and still retains, its own form of inflation accounting, an asset valuation and adjustment process which generally acts as a depressant to reported profits but ensures that the "real" view of the group's position is shown.

CSO: 4200/963

**AUSTRALIA**

**HAWKE CRITICIZED ON ECONOMIC REGULATION POLICIES**

Sydney **THE AUSTRALIAN** in English 13-14 Apr 85 p 20

**[Editorial: "A Collision That Could Be Fatal"]**

**[Text]**

THE demands of a deregulated financial sector have collided with the needs of a firmly regulated wages system. As Paul Kelly pointed out in his column in *The Australian* yesterday, this is the most important philosophical contradiction within the Hawke Government.

For the past nine months *The Australian* has been calling for a more flexible Australia, and many other voices have been putting the case for a decentralised wages system and pointing out the contradiction between unregulated capital and regulated labour.

The crunch has come following the floating of the dollar, which, among other things, is meant to impose upon us some self-discipline in the way we run our economy. The unions have refused to accept that self-discipline so far as it concerns the devaluation of the dollar and its relation to our high level of labour costs.

The Government has locked itself into an inflexible prices and incomes accord which means full wage indexation whatever the damage may be. It is ironic that it took a Labor Government to find the bravery to float the dollar and bring more competition into the financial system. It is that same Government that is now reaping the consequences of not following that philosophy through.

The penalty for not doing so exposes the Hawke Government, just as it did the Fraser government, to the

public spectacle of its impotence in the face of organised union power and the effects of the public's perception of what that means.

Twice now in recent years the Australian public has elected what it thought to be strong and popular leaders who would use the strength given them through the ballot box to solve Australia's institutionalised problems, the biggest of which is the restraining effect on the country's progress of the imbalance of power between capital and labour. Twice these leaders have failed us.

Mr Hawke yesterday refused to rule out full wage indexation, which would obviously mean compensation for the fall in the dollar when this showed up in prices. He is said to be looking at options which include compensating business in some way. This would make a mockery of deregulation.

Unless the Federal Treasurer, Mr Keating, can beat some sense into the Government when he returns from overseas next week, the slide in confidence in the Government will continue.

If the Government gives in to the unions on devaluation it will mean that it has abdicated its responsibility to govern for all Australians, and will be heading for defeat at the next election.

The one thing that might save it is the thought that the alternative government is still a long way from learning the lessons of its past defeats.

AUSTRALIA

**HAWKE ADDRESSES WEAK DOLLAR ISSUE**

**Sydney THE SYDNEY MORNING HERALD in English 13 Apr 85 pp 1, 2**

**[Article by Amanda Buckley]**

**[Text]**

**PERTH:** The Federal Government is considering abandoning the increase it was expected to make next month of about 3.5 cents a litre in the price of petrol.

This is part of a set of proposed Budget measures aimed at protecting business from the inflationary effects on wages of the dollar's devaluation.

These plans emerged yesterday as the Prime Minister, for the third day in a row, made an economic statement aimed directly at winning back the waning confidence of the business community in his Government's economic performance.

Mr Hawke, in a strong speech to business and union leaders in Perth reminiscent of his most fiery election speeches, stressed the beneficial effects of the devaluation and estimated that up to 100,000 new jobs could be created in Australia because of the increased competitiveness of Australian export and manufacturing industries.

Among options under consideration are a plan to reduce the Budget deficit by an amount equivalent to the Government's gains in revenue from increased import duties resulting from the devaluation, in order to help the business sector.

Another option is for direct concessions to be included in the Budget to reduce Government

taxes and charges to business by the same amount as the extra revenue raised.

One major concession would be to change the current import parity price policy to forgo future increase in the price of oil, which would slow the rise in business transport costs as well as producing a lower rise in the Consumer Price Index.

(The present policy produces automatic increases in oil prices every two months as the Australian dollar falls against the US dollar).

It is expected that the Government will receive roughly \$500 million to \$1 billion from the effects of the devaluation on its revenue from oil and import duties. The Government is prepared to forgo the extra revenue to ease the rise in inflation.

He warned that the Government was prepared to take steps to ensure that the inflationary effects of the devaluation on wages, as a result of full wage indexation, was minimised. But discounting wage indexation adjustments for the inflationary effects of the depreciation, a move violently opposed by the ACTU, was only one option.

Mr Hawke signalled that the Government was still looking to this year's productivity case to offset many of the inflationary effects of the lower value of the currency.

"As I emphasised on national television on Wednesday night our first concern is to ensure that

we preserve the strong employment growth with moderate inflation that has characterised the Labor Government's period in office," he said.

"Any productivity increase must be of a size and timing that is consistent with these objectives." strengthening the economy's prospects for even stronger private sector growth in output and employment with low inflation."

Government sources fleshed out the options available including extra cuts in the Budget deficit and lowered taxes and charges.

Mr Hawke said he did not believe the inflationary effect of the depreciation would be immediate.

"It seems likely, for example, that the direct impact of depreciation on the CPI in the March and June quarters — and thus the amount in contention at the time

of the next wage case — is likely to be relatively small. But let there be no doubt that measures will be taken, as necessary, to prevent the emergence of a debilitating inflationary spiral."

Mr Hawke signalled that there would be some very tough spending cuts announced before the Budget in order to ensure that there were full year savings for the next financial year.

He was scathing about how these cuts would be received by the Opposition parties and the media commentators who have been urging greater economic responsibility.

"It will be interesting to see whether they want to have five bob each way — to urge on us economic responsibility to cut the deficit but to launch vicious attacks on those decisions which will be intrinsically necessary to achieve that result."

CSO: 4200/963

INDONESIA

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

R. B. SOEKARDI SH--Master of Laws R. B. Soekardi will be appointed deputy attorney general for general criminal affairs, replacing Master of Laws Mohammad Salim. This was stated by Attorney General Hari Soeharto, master of laws, on 10 April when he was closing the 1985 Public Prosecutors Working Session, which was attended by public prosecutors from throughout Indonesia and senior officials from the Office of the Attorney General in Jakarta. R. B. Soekardi had previously been chief of the Planning Bureau in the Office of the Attorney General, while Master of Laws Mohammad Salim has been appointed secretary general of the Minister of Justice, replacing Master of Laws Nasrun Syahrun.

Soekardi was born on 25 September 1929 in Yogyakarta. During the struggle for independence he joined the Students' Army [Tentara Pelajar--TP]. Together with his friends in the TP, when independence was achieved, he returned to school and graduated from the Faculty of Law of the University of Gajah Mada in Yogyakarta in 1959. Also in 1959 he married Veronica Mardiarti, a student at the IKIP [Teachers' Training Institute] in Yogyakarta. They now have five children.

Sukardi began his career as a prosecutor while still a student at the Faculty of Law (1955). From 1959 to 1963 he performed his military service in Military Region VI/Siliwangi.

At the time of the trials related to the uprising by the DI/TII [Territory of Islam/Indonesian Islamic Army], led by Kartosuwirjo in West Java, Soekardi played an important role as the representative of the Central War Authority [central government body under martial law]. He was later appointed inspector for justice matters in Military Region VI/Siliwangi.

Soekardi's career continued to lead to higher positions. From 1966 to 1970 he was state prosecutor for Irian Jaya Province and was active in handling the legal aspects of the PEPERA [act of self-determination] in 1969. He is known

as a hard worker who reads a great deal. He is a quiet person who enjoys exchanging views with others.

From 1970 to 1975 Soekardi served in the Office of the Attorney General as a supervisory inspector and as chief of the Directorate of Finance and Equipment. When the operation to clean up smuggling in connection with the "902" case was undertaken, particularly in North Sumatra, Soekardi was the state prosecutor in that province (1975-80). From 1980-84 he was promoted to be state prosecutor in Jakarta and handled a number of major trials, such as the Tampomas II trial and a number of corruption and a number subversion cases.

Soekardi was appointed chief of the Planning Bureau, known as the "kitchen cabinet" in the Office of the Attorney General. He served there from 1984 to 1985. Subsequently, he was appointed deputy attorney general for general criminal affairs. Mohammad Salim, his predecessor, had also previously served as chief of the Planning Bureau in the Office of the Attorney General. [Text] [Jakarta SINAR HARAPAN in Indonesian 11 Apr 85 p 12] 5170

H. R. ENAP SURATMAN—The post of secretary in the Directorate General for Social and Cultural Relations and Information in the Department of Foreign Affairs was recently transferred to H. R. Enap Suratman, the new incumbent, from Dr Kasman Siahaan, his predecessor. A. Adenan, the director general for social and cultural relations and information, presided over the ceremony.

Suratman had previously been deputy chief of mission in the Indonesian Embassy in Jiddah, Saudi Arabia. Siahaan has been appointed Indonesian ambassador to Hungary.

H. R. Enap Suratman is a career diplomat. Born on 29 March 1930 in Sumedang [West Java], he graduated from the Foreign Service Academy in 1955 and attended the senior officers' course at the academy in 1972.

After his training at the Foreign Service Academy he was appointed a desk officer in the Directorate of Information, where he served from June 1955 to March 1959. From August 1962 to January 1967 he was a chief of section in the Americas Directorate. He was a chief of a sub-directorate in the Directorate of Political Affairs from August 1970 to December 1973. He was chief of a sub-directorate in the Directorate of East and Southeast Asian Affairs from April 1978 to January 1981.

Subsequently, Suratman was assigned to Indonesian embassies in Switzerland, Iraq, Turkey, and Kuwait. From 1982 to February 1985 he was deputy chief of mission with the rank of minister in the Indonesian Embassy in Jiddah.

Suratman has also attended several international conferences as a member of the Indonesian Delegation, including the Seventh Islamic Conference in Istanbul in 1976 and the Jerusalem Committee Conference in Morocco in 1984. He was an observer at the Arab Red Crescent Conference in Bahrain in 1981. [Text] [Jakarta HARIAN UMUM AB in Indonesian 17 Apr 85 p 12] 5170

COLONEL SUWARDI--Colonel (Infantry) Suwardi, who had previously served as commander of the military district in South Sulawesi, has been appointed to a new position as commander of Military District 072 and the acting commander of Military Region IV/Diponegoro, replacing Col (Engineers) Rony Sikap Sinuraya, at a ceremony held on 20 April.

Col Rony Sikap Sinuraya will later assume his new duties as chief of the Army Information Service at Army Headquarters in Jakarta. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 24 Apr 85 p 6] 5170

ENGKIN ZAINAL MUTTAQIEN DIES--K. H. Engkin Zainal Muttaqien, the chairman of the Indonesian Council of Ulama [Muslim scholars], died on 27 April. He had been in a coma for about 2 weeks, following a traffic accident on 11 April. He was treated at Hasan Sadikin Hospital in Bandung.

K. H. Engkin Zainal was born in Singaparna, West Java, on 4 July 1925. His father was K. H. Abdullah Siradj, an NU [Muslim Scholars political party] leader who was well respected in West Java.

It might be said that Muttaqien never attended public school. Almost all of his formal education was in religious schools, including the NU School, the PUI [Indonesian Community Union] School, and the Muhammadiyah Preachers School. Furthermore, he studied on his own. He obtained an honorary degree from the Koranic Studies Institute (IIQ) in 1980.

He was an ulama who was also active in the university world. To the end of his life Muttaqien was rector of the Islamic University in Bandung, chairman of the Central Office of the Indonesian Council of Ulama, general chairman of the West Java Office of the Indonesian Council of Ulama, general chairman of the All-Indonesian Private Universities Development Foundation (YAPPTIS), and general chairman of the West Java Private Universities Cooperative Board (BKPTS), in addition to many other positions which he held in the educational field.

He also took an active part in the independence struggle. He was once arrested during World War II by the Japanese occupation authorities when he was accused of taking part in the Sukamanah uprising. He was arrested by the Dutch colonial authorities because he led the movement against the RIS [the federal government known as the United States of Indonesia], and he was a member of the National Front for the Liberation of West Irian. He also opposed the "Four Footed Cabinet" (which included the Communist Party in the government) and was imprisoned for 5 years during the Sukarno administration.

The deceased leaves a wife, 10 children, and nine grandchildren. [Excerpt] [Jakarta SINAR HARAPAN in Indonesian 27 Apr 85 p 1] 5170

MAJ GEN EDI SUDRADJAT--Maj Gen Edi Sudradjat, 47 years old and a 1960 graduate of the Military Academy, has been installed in office as assistant for operations to the chief of the general staff of the Indonesian Armed Forces.

He is one of the first members of the younger generation to enter a senior position in Indonesian Armed Forces Headquarter in Jakarta. For the time being he will continue to be commander of Military Region VI/Siliwangi until his replacement is installed in office. It is not yet known who will replace him, but, according to present information, the transfer of this office will be held before the middle of May.

Major General Sudradjat had previously been regarded as a strong candidate for holding a senior command position in the Indonesian Armed Forces. He was appointed a military region commander in Java after he had served his "apprenticeship" as a military region commander outside of Java.

Major General Sudradjat was first in his class at the National Military Academy in 1960. His subsequent career, which he began as a platoon commander in Battalion 515/Brawijaya, was the first of a series of assignments which took him from one field to another. He moved from one unit of the "Red Beret Corps" to another Army Commando unit. Sudradjat was only "released" from this elite unit when he was assigned to the Indonesian contingent in the ICCS [International Commission for Control and Supervision] in South Vietnam.

His assignments quickly increased in responsibility after he became commander of the Airborne Combat Command and after he served as commander of the ceremonies at the Indonesian Armed Forces Anniversary Celebration in Jagorawi. He won his first "star" as a general officer shortly after that. [Excerpt] [Jakarta SINAR HARAPAN in Indonesian 30 Apr 85 pp 1, 12] 5170

MAJOR GENERAL SOEGIARTO--Major General Soegiarto, 49 years old and a 1960 graduate of the National Military Academy, was installed in office last week as assistant for personnel to the chief of the general staff of the Indonesian Armed Forces. He is one of the first of the younger generation in the Indonesian Armed Forces to assume a senior position at headquarters in Jakarta.

For the present he will continue to serve as commander of Military Region IV/Diponegoro until his replacement is installed in office. It is not yet known who his replacement will be, but, according to information obtained from Military Region IV/Diponegoro, the transfer of office is expected to be held before the middle of May.

Major General Soegiarto has long been regarded as a strong candidate to hold a senior position in the Indonesian Armed Forces in the future. He was appointed commander of a military region in Java after having served his "apprenticeship" as a commander of a military region outside of Java.

Following his graduation from the National Military Academy in 1960, Major General Soegiarto was moved from one troop position to another. He began his career in the Siliwangi Division. He later was commander of Battalion 401 "Banteng Raiders" in Central Java. He was next assigned to Infantry Brigade 17, in the airborne forces assigned to the Army Strategic Reserve Command.

Major General Soegiarto had a good reputation in combat in East Timor and was given an unusual promotion from lieutenant colonel to colonel in this connection. His international experience included the position of commander of the Indonesian Contingent in the Middle East.

Major General Soegiarto had previously served as a military region commander in 1979 when he was the first officer from the National Military Academy to be appointed commander of Military Region XIV/Hasanuddin. [Excerpts] [Jakarta SINAR HARAPAN in Indonesian 30 Apr 85 pp 1, 12] 5170

CSO: 4213/234

LAOS

AIR TRAVEL PRICE RISE, PENSION BENEFITS NOTED

Vientiane VIENTIANE MAI in Lao 8 Mar 85 pp 2, 4

["Conversation with the Editor" Column: "What is the Policy Concerning Pensioners?"]

[Excerpts] [Question] 1. Why did the commercial airlines raise their prices? 2. What is the policy of the party and government toward aging workers who are pensioners? Do they provide housing? I hope you can clear this up for me. 25 February 1985, Vientiane Teacher's College, (signed) S. Manivong.

[Answer] 1. Price changes of materials and other goods depend mainly on economic expansion. Price increases or decreases ensure a balance between the capital and the surplus value as in the three elements of the theory: (C+V+M), where C means constant capital, V variable capital, and M is mehrwert. To simplify briefly, there must be a complete calculation of all components, e.g., labor, [maintenance cost], equipment, spare parts, tax elements, capital, [revolving capital], mehrwert, etc. The result will be the prices. I apologize that I cannot give you the complete details which only a political economist can. This is just to give you some examples so you can see the reason for price changes in goods that must satisfy the total balance.

If there is nothing to guarantee the balance then trade must finally go bankrupt. More briefly, for any kinds of goods, when the principal is high the distribution price must also be correspondingly high because it must ensure the capital and mehrwert (profit).

2. Our party and government have the most correct and suitable policies. Our party and government have been carrying out their policies toward aging cadres and senior pensioners, e.g., providing housing, places to make a living, etc. For example, we provide housing for constructing their new life and send them to bases concerned and other places as they please. We also consider their situation, e.g., those who have families will be returned to their hometown. The government will pay for all their travel expenses, food allowances, etc. This has been carried out and has been steadily improved.

LAOS

HIGHER STANDARDS REQUIRED FOR OVERSEAS STUDY

Vientiane VIENTIANE MAI in Lao 9 Mar 85 pp 2, 4

[ "Conversation with the Editor" Column: "Must a Person Complete "Hong Sip" [10th Grade] before Going Abroad to Study?"]

[Excerpts] [Question] 1. Based on what I have heard in discussions by my colleagues concerning the matter of sending cadres and workers to study overseas, only those who have "hong sip" [10th grade] diplomas will be qualified for high-level study overseas.

[How about] those graduates who have a high school diploma who once studied overseas? Please explain this clearly to me, as I think it will give me moral support in carrying out my work. Sincerely yours, Noum Phan Den, 13 February 1985.

[Answer] 1. Studying overseas depends on many things, e.g., capital, the budget, level of knowledge and ability, fields of study, etc. Of course we do not send people to study overseas at random, and certainly not for the purpose of studying as in the past. Now our regulations are getting strict. As you know, our nation's sociocultural situation has not yet been liberated or has just been liberated and has stepped up to a firmer level. Consequently, new regulations have been adopted. This is to fit in with the plan for a new lifestyle for the new future of us and the nation. It is true that high-level education requires high-level students in order to make sure the subjects are understood. On the other hand, sending a person with inadequate education to study at a high level would be like shaving a monkey's head.

We hope you understand. Meanwhile, we ask you to be firm and to believe wholeheartedly in the leadership of the party and the government. Do not be credulous. Others who have not understood anything will become propaganda tools for the enemies. For example, there were incidents in the population census when the enemies loudly propagandized and sabotaged goods, currency, etc. in order to cause trouble in our society. Thus, as people of the new regime we must be every ready and alert, and dismantle the distorted, slandering, and fabricating propaganda against the new regime. We must fight resolutely against the evil slandering of the enemies in a timely manner. Thank you.

LAOS

POSSIBLE CHANGE IN LPRP NAME SUGGESTED

Vientiane VIENTIANE MAI in Lao 19 Mar 85 pp 2, 4

"Conversation with the Editor" Column: "How Much Longer Will the LPRP Be Called the Lao Communist Party?"]

[Excerpts] [Question] 1. What are the differences and the similarities between the communist party, the people's revolutionary party, and the worker's party? 2. How much longer will [it be before] the LPRP is called the Lao Communist Party? I wish all VIENTIANE MAI editorial staff the happiest. From Yeva, military student in the USSR. Address: Yeva from Laos. Dom 7 Kor II Kv 168, Khar'kov Avenue, USSR, Moscow.

You can answer my questions either in a letter or in VIENTIANE MAI which arrives once every 3 months.

[Answer] Dear Yeva. We would like to discuss your questions as follows. It does not matter if the name of the party is changed; what is important is the party's policy. Concerning the name of the party that you asked about, you should use the direction of the policy as a guideline. If the policies are the same they are the same party. For example, if the communist party or the worker party have the same policy, e.g., the same direction and Marxist-Leninist theory, they are the same party because they serve the benefit of the working people. Let us recall the point that we should be more careful in that it has been shown that some countries claimed they were communist parties with Marxist-Leninist ideology. However, they are false because these parties merely wear communist clothing, e.g., the party of the Chinese reactionaries.

2. We cannot tell you [when it will happen] because it depends mainly on the period of society within a country. For example, the Soviet Communist Party was the Bolshevik Party and is now changed to the communist party. This depended on the actual situation of the time and on the internal situation. It depended on the period of time as a guideline for deciding. The same goes for the LPRP. Whether it will be changed or not depends on the situation mentioned. We wish you good luck and happiness. Thank you.

9884  
CSO: 4206/108

LAOS

BRIEFS

VIENTIANE DISTRICT TRADE--In order that goods can be circulated and distributed to the people of ethnic groups and to working people, the party committee and the administrative committee of Phon Hong District have organized state and collective stores. They have been able to organize state stores in four places where they are located in the markets. After they were set up they purchased forest products, e.g., 5,307.4 kg of resin, 434.7 kg of [translation unknown], and 3,435 rattan sticks. This was worth 127,117 kip. Moreover, they brought state goods, e.g., cloth, consumer products, and agricultural equipment worth 4,536,284 kip. These figures were an 86 percent increase as compared with 1980. [Excerpt] [Vientiane VIENTIANE MAI in Lao 9 Mar 85 pp 1, 4] 9884

VIENTIANE DISTRICT TAX RECEIPTS--Throughout 1984 the cadres and workers in the [Finance and Revenue] Bank under Phon Hong District, Vientiane Province, all carried out their specialized task enthusiastically. Last year they collected taxes and agricultural taxes from charcoal and domestic animal sales, rent, fees, debts, etc. This amounted to 11,910,250.33 kip for government income. They also mobilized the people of ethnic groups to deposit 227,140 kip in their savings. [Excerpt] [Vientiane VIENTIANE MAI in Lao 9 Mar 85 pp 1, 4] 9884

VIENTIANE DISTRICT PRODUCTION, CO-OPS--Throughout Phon Hong District there are 12 agricultural co-op units and 467 agricultural co-op members including 27.8 percent of agricultural co-op family members on the average, and 8,796 hectares of rice fields. The 1984 total production yielded 21,175 tons, an increase of 2.36 tons per hectare or 432.8 kg per capita. The dry-season rice-growing area was 77.5 hectares, and the harvest yielded 2.5 tons per hectare. When compared with the provincial plan the dry-season rice-growing area has increased by 17.5 hectares. Hill farming has increased by 2,477.19 hectares, the [production] capacity [is] 1.2 tons per hectare, and [hill] farmland has decreased by 4.88 percent. They also mobilized farmers to join 66 labor exchange units throughout the district. This has further increased the efficiency of production forces and also steadily raises the standard of living of the people. [Excerpt] [Vientiane VIENTIANE MAI in Lao 11 Mar 85 pp 3, 4] 9884

LUANG PRABANG DISTRICT BANK ACTIVITY (KPL)--In 1984 State Bank cadres in the Nan District branch, Luang Prabang Province, carried out their work

enthusiastically and effectively. They mobilized the people to deposit a total of 165,300 kip including 38,000 kip of savings deposits, and loaned over 235,700 kip for cadres and the people for their family economy construction. They also loaned out 200,000 kip for different agricultural co-ops. Besides this, there is a fairly good amount of other income. Along with this they also organized themselves to go to the population bases and disseminated documents on the policies of the party and government concerning bank work 8 times, with over 1,000 people attending. The purpose of this is for the people to understand and correctly follow in order to ensure normal rotation of kip and currency. [Text] [Vientiane] KHAOSAN PATHET LAO in Lao 8 Mar 85 p A3] 9884

CSO: 4206/108

MALAYSIA

LEW SIP HON CALLS FOR ELECTION OF MCA'S 'GRASSROOTS' LEADERS

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 24 Mar 85 p 3

[Text] Datuk Lew Sip Hon, Malaysian ambassador to the United States and concurrently vice president of the Malaysian Chinese Association [MCA], stressed today that a political party leader must respect the wishes of the grassroots, and follow their lines and decisions in order to decide his own direction.

He added that MCA's leaders must be elected by its basic-level members, in line with the democratic procedure stipulated in the party's constitution, otherwise they cannot lead the party effectively or enjoy the support of Chinese society.

Datuk Lew held that it is essential for the MCA to get the trust and support of the Chinese community, so that it can effectively lead Chinese society and attain their common aspirations and objectives.

He said that if the MCA cannot strive for the rights and interests of Chinese society, it will lose their support and, in such a situation, the party will not be able to play its part to the fullest possible extent, no matter who the leader may be.

Datuk Lew made these remarks at a gathering of the MCA's Kuala Lumpur Municipality division, of which he is chairman, yesterday. Two days earlier, he had returned from abroad to attend Parliament which is to be opened by His Majesty the Yang di-Pertuan Agong next Monday and to brief Prime Minister Datuk Sri Dr Mahathir on matters concerning Malaysia-U.S. trade and other bilateral relations.

Datuk Lew said that only a leadership which is elected with grassroots support and through a democratic procedure can exist and grow strong in a democratic country. Only in this way can the MCA become stable and the democratic rights of its membership safeguarded, as well as enjoy the support of the Chinese.

Asked to comment on the exclusion of his name from the list of candidates for the coming Central Committee of the party, he said that this is in line with the compromise formula reached by both factions and that his feelings are of secondary importance. What is most important, he added, is that only leaders who are elected by the grassroots and the Central Committee through the

democratic procedure can truly be called the leadership which will be accepted and supported by the entire membership and the Chinese community.

Asked about his political movements in the days to come, Datuk Lew said that he would like to return to the grassroots level, and let them decide on his future. He recalled that at the MCA election in 1979, he enjoyed the support of the majority of the membership, which won him the party's vice presidency and which amply proved that he was elected by the grassroots. He continued that if the grassroots keep supporting him, need his leadership and are ready to back him for any particular post, he will gladly follow their aspirations and accept the challenge.

Datuk Lew said that the MCA infighting has been dragging on and on for more than a year and that this is a loss to the party no matter how you look at it. This factional war is a severe test and a bitter lesson for the Chinese political struggle and solidarity, and the political future of the entire Chinese nationals is anything but optimistic.

Datuk Lew appealed to all MCA members to do away with all grudges and divergent opinions of the past, concentrate their forces for the sake of the party and common aspirations and objectives of the Chinese nationals as a whole. All of us must cooperate as we did in the past and elect new leaders according to the democratic procedure, from the grassroots level up, so that we can win the support of the Chinese masses, play an effective role in government, and bring benefit to the political future of the Chinese.

9300  
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MALAYSIA

LIM KIT SIANG CALLS FOR REVISION OF PARLIAMENTARY PROCEDURES

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 24 Mar 85 p 3

[Text] As our country prepares to celebrate the 25th founding anniversary of Parliament on 30 March, Lim Kit Siang, leader of the opposition, today expressed his views on the practices of 25 years of parliamentary democracy in an interview with our reporter. He said:

"Parliament should form a commission to study how to improve its existing procedures and measures, so that its members can play a bigger role in fully putting across their ideas and making bigger contributions to the parliamentary democratic system and the nation."

Lim Kit Siang said that "during the past 25 years, our Parliament has continually been subjected to threats and blows, causing it gradually to lose its original significance. The original purpose of a parliamentary democratic system is to establish a system which reflects the views and aspirations of the people. Therefore, our parliamentary democratic system is by no means a mere imposing parliament building, but must be assessed through the form of government functioning under it." In his view, our Parliament is just passable.

"Consequently, at a time when we are celebrating the 25th anniversary of Parliament, it is high time to let the entire people study, discuss and ponder further the problem of our parliamentary democracy, because this matter affects the future of our country and people."

Following is a report of the interview with Lim Kit Siang:

Question: "What are your views on the practices of our parliamentary democracy in the past 25 years?"

Lim: "To review our system in the past 25 years, we must divide it into two parts. The first is to study how members of Parliament can more effectively play their roles, whether the prevailing conditions, environment and procedures in Parliament can make the members feel freer to convey the opinions and demands of the people, or the opposite.

"I believe that during the past 25 years, parliamentary procedures and regulations have been intermittently revised not to develop the true meaning of democracy, but rather to restrict members of Parliament, particularly to curtail the opportunities for members of the opposition to express their views or take part in debates.

"Take, for instance, the matter of oral interpellations. Before 1969, a member of Parliament may ask three verbal questions in a day when it is in session and submit an unrestricted number of written interpellations. The Democratic Action Party [DAP] emerged victorious at the 1969 general elections. When Parliament resumed its sessions in 1971, I personally submitted between 180 and 200 written questions, while my DAP colleagues also enthusiastically submitted many more questions.

"It is the responsibility of members of Parliament to ask questions, which should rightly be praised. Yet, Tan Siew Sin, then chairman of House Rules Committee, convoked a meeting to revise the rules of procedure, under which an MP was restricted to a total of 20 oral interpellations during a parliamentary session. For instance, during discussions on the national budget which lasted 60 days, we were not allowed to ask more than 20 questions in comparison to the originally permissible 180 questions, while written interpellations were limited to 5 only. That is not the way to develop the democratic system.

"Again, according to the Rules Committee in bygone days, all motions of private bills were put forward after oral interpellations, but later on such motions could be put forward only after the completion of debates on 'government affairs.' Thus, the opportunities to propose private bills were virtually killed, because everyday there were debates on 'government affairs' on the agenda.

"There were times when we eagerly wanted to put forward a private bill to fight corruption or some regulation, but we were deprived of such opportunities after the change in the rules of procedure.

"In the past, it was permissible to put forward an emergency motion to discuss and debate about a sudden major happening, because we feel that it would be of no use for Parliament to deliberate on 'history.' But even at the time the government often refused to hold an emergency debate on some pretext. And now, after the change in the rules of procedure, it is even more difficult to put forward such a motion.

"All these measures have restricted the actions of members of Parliament."

Secondly, Lim Kit Siang said, the government should examine the desirability for members of Parliament to be provided with sufficient data and opportunities for deliberations, otherwise the parliamentary system would be at a disadvantage. He said:

"Outside of Parliament, if we want to put our parliamentary democratic system on the right track, the government should study how to give full play to the 'one person, one vote' system, how to select members of Parliament who truly

represent the people, how to put an end to vote-getting bribery and how to prohibit the use of threats against voters. The reason is that if the elected members do not truly represent the people, we will have to give a discount to our democratic system. Consequently, we should seriously study and make an overall examination on the democratic practices for the past 25 years."

Lim Kit Siang indicated that he is not satisfied with the present principles of Parliament, although the members have opportunities to express their opinions; nevertheless, Parliament should adopt better principles for the sake of our country and democratic system.

Question: "Is the present Parliament adequate to defend the democratic system?"

Lim Kit Siang said: "Parliament should set up a commission to examine the entire parliamentary rules and procedures under which its members may express their views as fully as possible, or else they would be mere 'yes men.' At present, members representing the National Front perfunctorily support all government policies without any serious study or discussion, so what's the use of convening a meeting?"

"Each and every member must clearly understand that Parliament is the highest legislative body, the loftiest political forum. Parliament must have excellent facilities for the provision of good environment and opportunities."

Question: "Would you say that the government suppresses opposition parties?"

Lim Kit Siang said: "We feel the restrictions against not only members of the opposition parties, but those of the ruling parties as well. It is necessary to restore some policies which were rescinded in the past. We are elected by the voters, because they want us to represent them in Parliament. If we are denied opportunities to express our opinions, parliamentary democracy loses its meaning."

"We must admit that not only opposition parties but also members representing the National Front are not given opportunities to play their respective roles in Parliament. Those National Front members are nothing but rubber stamps. This is a wrong decision on the part of the government. All members of Parliament, whether of the ruling or opposition parties, should be given opportunities to play the roles expected of them."

"Government executives keep eroding the authority of Parliament by relentlessly trying to take over its power. This is disadvantageous not only to the opposition parties, but the entire democratic system as well. Government executives should restore the parliament's rights and powers stipulated in the constitution."

Question: "What is your idea of an ideal parliamentary system?"

Lim Kit Siang answered: "In addition to what I already said above, all members of Parliament should have an opportunity to express their opinions fully. They should have access to government papers, and the government should not

excessively regard them as 'classified documents.' The government should allow members of Parliament to take part in debates on major issues, such as defense, the economy, social problems and agriculture. To attain this objective, Parliament should set up a Research Committee to help its members understand and take part in the debates on the above-mentioned problems. Parliament should draw on collective wisdom and absorb all useful ideas and jointly make contributions.

"Outside of Parliament, the entire parliamentary democratic system must be honest and clean and fair-minded. We must elect representatives who truly stand for the people instead of promoting 'money politics,' and we should have a fair electoral 'redistricting system.'"

Question: "You mentioned 'money politics' many times, but do you have evidence to prove your point?"

Lim Kit Siang answered: "This issue is known to everybody. You mean you are not aware of it?"

Question: "We must have proof, not just empty talk."

Lim Kit Siang said: "This is open secret. Everybody knows it. Didn't Tung Ku [phonetics] mention it in his column? Millions of dollars were put to use in a by-election at a small electoral district in Sabah; at a recent by-election in Padang Terap, the National Front drew on hundreds of thousands of dollars, although the Election Laws stipulate that electioneering expenses shall not exceed M\$20,000."

Question: "The government criticizes the Democratic Action Party [DAP] as an extreme political party."

Lim Kit Siang said: "The DAP is by no means an extreme political party. On the contrary, it is a party that stands for moderation and tolerance, advocates mutual respect among all nationalities and mutual tolerance of varying racial cultures and religions. The DAP opposes the suppression of the language and culture of any nationality."

"Of course, the National Front cannot accept our propositions. As a result, it resorts to all sorts of rhetoric to vilify opposition parties and criticize the DAP as chauvinistic and extremist. The prime minister recently even criticized the DAP as an unsound opposition party. As a matter of fact, the DAP is an unusually healthy opposition party, while the National Front is an unsound government, because its policies lead to national dissension and engender numerous problems.

"Didn't Sim Bock Hee recently say, 'How can we be called extreme, when we are protecting our basic rights?'

"The government wanted to fabricate public opinion that fighting for basic rights and interests constitutes extremism. This kind of opinion is a pitfall, a spiritual pitfall. If we should fall into this pitfall, there would be no

use for us to struggle. We'd better surrender voluntarily. As a matter of fact, all this is a psychological war aimed at dealing the opposition parties with a blow."

Question: "In your opinion, does the government want to abolish opposition parties?"

Lim Kit Siang answered: "If the National Front could do it, it would. But the question is whether the people would accept such point of view. Under the existing system, there is no way for the government to wipe out opposition parties and carry out one-party dictatorship. Unless our political system is changed, it is difficult to put one-party dictatorship into practice."

Question: "Is it possible for the DAP to revise its policies and establish a 'constructive political party' as required by the government?"

Lim Kit Siang answered: "The existence of the DAP is not for the purpose of coinciding with government requirements, but of fulfilling the needs of the people. We cannot accept government censure. During the past 10 years or so, we made great contributions to the nation through our performance and stand. We want to let the government know that respecting the differing demands of the people constitutes an essential condition for national stability. If the government is bent on having its own way, neglecting the aspirations of the people, our country can never be stable. Naturally, the government cannot openly agree to our views and propositions, but before it implements certain policies, it is likely it will take our power into consideration. For instance, after the DAP was badly defeated in the 1982 general elections, the government then began to do what it had not dared to do in the past."

Question: "What are your hopes on occasion of the Parliament's 25th anniversary?"

Lim Kit Siang answered: "Parliament is the highest legislative body. The government should strive for public trust in Parliament. True, at present all laws are first of all passed by Parliament, but that is only a matter of form. Any bill submitted before Parliament is sure to be adopted without much ado, because members of the ruling parties cannot voice dissent, while members of the opposition parties are not given ample opportunities to study or debate on the issue. Some bills require only 2 to 3 days before they are tabled for deliberations, and this is an unhealthy situation. Only a sound democratic system can promote the unity of the people."

Question: "Looking back on the past 25 years, have there been some improvement or progress in the practices of our Parliament, or just the opposite?"

Lim Kit Siang said: "The Official Secrets Act has covered up many things, while the Internal Security Act has made it impossible for us to discuss many problems before Parliament. Compared with the situation prevailing in 1957, we really cannot say whether we have moved forward or fallen backward. This really is the important problem."

MALAYSIA

NEO YEE PAN CALLS ON BARISAN MEMBERS TO REDUCE POLITICAL DIFFERENCES

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 25 Mar 85 p 23

[Text] Datuk Neo Yee Pan, acting president of the Malaysian Chinese Association [MCA], pointed out that under the prevailing political environment, members of the National Front [BARISAN] should reduce political differences among them as much as possible, in order to forestall the BARISAN's entire efforts from being wiped out.

He said: "To this end, the MCA and the Malaysian People's Movement [GERAKAN] have proposed the strengthening of mutual cooperation by curtailing their divergent opinions and promoting their collaboration. The cooperation among grassroots-level leaders is especially important.

"We must discuss our differing opinions through consultation, but not open confrontation. This would help us establish a common front to deal with the challenges of opposition parties."

Datuk Neo also pointed out that BARISAN members should not openly exaggerate problems, otherwise we cannot devote more energy to making contributions to the nation.

He made these remarks at an MCA "unity banquet" celebrating the party's 36th anniversary last night. Present at the occasion were Prime Minister and Madam Datuk Sri Dr Mahathir, Deputy Prime Minister and Madam Datuk Musa Hitam, ministers and deputy ministers of the cabinet, and other BARISAN leaders, including GERAKAN's chairman Datuk Lim Keng Yaik and secretary general Kuo Shu Chen [phonetic], and Datuk Samy Vellu, president of the Malaysian Indian Congress [MIC]. MCA members attending this gathering were all supporters of the Neo Yee Pan faction, while the Tan Koon Swan faction was represented by none other than himself alone.

Earlier, Datuk Neo said in his welcoming speech: "This commemoration of MCA's 36th founding anniversary signifies the beginning of a new page for our party. We must close without delay the page that recorded the grief brought about by our party's crisis last year. Henceforth, all MCA members must banish all divergent opinions and join hands again to promote the well-being of society and country.

"A divided MCA would be detrimental to the nation's political stability and economic progress. This has been proven by our party's crisis."

Datuk Neo pointed out that ever since its founding the MCA has always maintained close relationship with member parties, particularly the United Malays National Organization [UMNO], both during the Alliance coalition in the past and the National Front coalition today.

"The fine relationship between the UMNO and MCA is the basis for our country's political stability, an important condition for our national progress and prosperity," he said.

He admitted that sometimes there are divergences in opinion between the two parties, but thanks to their mutual understanding and respect, all differences have been resolved; in fact, their mutual understanding has thus been strengthened.

Datuk Neo pointed out that under Prime Minister Datuk Sri Dr Mahathir's wise leadership, Malaysia is developing and progressing toward a new stage. The prime minister's farsightedness and positive attitude in handling national affairs have provided our country with a firm and strong political leadership and won her international respect. Datuk Neo added that the prime minister's frank and sincere attitude in dealing with regional and international affairs has won him personal acclaim. "At present, Malaysia is embarking on an overall plan toward industrialization which will guarantee the country to march toward the 21st century confidently. The entire people of Malaysia have the duty to make contributions for the success of the industrialization plan," he said.

Datuk Neo called on Malaysia's Chinese society to play a vigorous role in this industrialization plan. "We must not be idle and remiss, in spite of the various problems still facing us. On the contrary, we should act more vigorously. The Chinese in Malaysia must continue to offer constructive contributions in national reconstruction work," he concluded.

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PHILIPPINES

ASEAN LEADERSHIP'S CONCERN, MARCOS REASSURANCES REPORTED

Singapore, Indonesia Concern

Manila BULLETIN TODAY in English 6 Apr 85 pp 1, 8

[Text]

**SINGAPORE (UPI) --** Two major threats to the security of the non-communist nations of Southeast Asia were the key issues this week in talks between Prime Minister Lee Kuan Yew and Indonesian President Suharto, government officials say.

The leaders, meeting in Sulawesi in Eastern Indonesia, both expressed concern over "political developments in the Philippines and Cambodia which threaten the security" of the six-member Association of Southeast Asian Nations (ASEAN), an official said.

Lee and Suharto agreed the political unrest in the Philippines

caused "very great concern" in ASEAN, a political and economic organization that groups Thailand, Malaysia, Singapore, Indonesia, the Philippines, and Brunei.

After two hours of talks with Suharto, Lee said ASEAN wanted the Philippines problem resolved through political and not military means.

"We hope it will evolve in a constitutional way and the (communist) guerrillas will not be given a chance to play a big or an unduly disruptive role in the evolution of the situation there," Lee said.

It was the strongest statement Lee has made on the Philippines.

Singapore is about 2,240 kilometers from the Philippines. Indonesia's nearest point to the Philippines is Port Mersado in Makassar, about 24 km from the Philippine port of Davao near a cluster of Indonesian islands called Pulau-Pulau Talaud.

The Lee-Suharto talks also jointly expressed concern on the six-year-old Cambodian war, with no fresh peace initiatives in sight.

Indonesian presidential spokesman Sudarmono said Lee agreed with Suharto that ASEAN should take "follow-up steps to ensure Vietnam will not be an aggressive and expansionist country."

He said Vietnam should not be isolated and driven further into

the Soviet Union's sphere of influence. But a thaw in relations between Washington and Hanoi could make Vietnam "more willing to seek a negotiated settlement in Cambodia," he said.

Lee said Indonesian Foreign Minister Mohtar Kusumaetmadja, who visited Hanoi last month, should be allowed to continue his efforts on finding a political solution to the Cambodian issue.

"The choice is Vietnam's to make — whether to hang on to large chunks of territory in Cambodia and Laos or to develop its economy," Lee said.

"There is much more (to gain) by way of cooperation" with Asian and Western industrial nations, he said.

## Marcos' Letter of Reassurances

Manila BULLETIN TODAY in English 10 Apr 85 pp 1, 12

[Article by Willie NG]

[Text]

President Marcos yesterday wrote two Southeast Asian leaders his assurance that the region's leaders need not worry about a communist threat for the Philippines, the government being in full control of the military, political, and socio-economic conditions.

Indonesian President Suharto and Singapore Prime Minister Lee Kuan Yew had been reported by wire services last week as having expressed concern about the Philippine communist insurgency problem.

Indonesia and Singapore belong to the Association of Southeast Asian Nations (ASEAN) as do the Philippines, Malaysia, Thailand, and Brunei.

The President, in his letters to Mr. Suharto and Mr. Lee, said: "We are confident our democratic institutions are in no danger of subversion."

He declared that with the continued understanding and support of the leaders of ASEAN, the Philippine government and people "are confident of success in eliminat-

ing the communist threat as our predecessors had done in the late 1950's and in bringing about a lasting economic recovery for the whole country."

He said it was possible that media reports, often exaggerated, might have misled ASEAN leaders and caused them concern over the insurgency problem.

Mr. Marcos pointed out that the extensive reportage on the strength of the New People's Army and its influence were often exaggerated.

He cited intelligence reports stating the government could effectively turn back a Maoist insurgency brought on by the economic setbacks which, in turn, were caused by the world recession.

The President told Mr. Suharto and Mr. Lee that the communists were increasingly resorting to coercion, intimidation and terrorism to gain support in the rural areas.

He said they raised funds mainly through extortion, their main victims being logging companies.

He said the Communist Party of the

Philippines has established a "United Front" to exert leverage on electoral politics and exploit labor and middle-class unrest caused by the hard times.

Stating that this strategy was flawed by the party's dogmatism, he added: "Its remorseless drive to gain hegemony of the Philippine left has turned off political groupings that would normally be part of a genuine united front."

He said the mass base of the communists, both for the party and the NPA, comprised less than one percent of the population, and the NPA guerrillas had to resort to raiding military camps to seize weapons.

He said they were very inferior to the armed forces and could not hold their ground in an encounter with military units.

He said intelligence reports placed NPA guerrillas at between 10,000 and 12,000 regulars and that only two thirds of these were armed. Very few were politicized, the bulk being composed of plain bandits and criminals.

Mr. Marcos said that the insurgents could have political and military infrastructure in some four percent of the country's 41,615 villages. Armed propaganda units would occasionally visit another nine percent of all vil-

lages.

He said the guerrillas receive no material help from external sources, except for negligible funds from the international leftwing network.

He said that the increase of incidents involving the NPA in 1984 could be traced to communist efforts to disrupt the national plebiscite in January and the parliamentary election in May.

Mr. Marcos said there was no noticeable change in the insurgents' operational areas in the Cordilleras of Northern Luzon, the hinterlands of Samar and Panay islands in the Visayas, and the mountain regions of Mindanao.

He said that since 1982, the communists have lost 119 key leaders, including 10 members of the central committee, thereby worsening a leadership problem started by the capture in 1977 of party founder Jose Ma. Sison.

He said that the intelligence community noted the party's lack of qualified second stringers and ideologically-motivated cadres.

The President cited the continuing reforms in the Armed Forces command structure, logistics, tactics and troop discipline, which have resulted in making the military more effective in counter-insurgency.

The general staff, he said, has re-emphasized the merit system in assignments, promotions and foreign schooling for officers.

PHILIPPINES

MANILA COLUMNIST HITS CHDF 'THUGS'

Manila BULLETIN TODAY in English 8 Apr 85 pp 6, 10

[Commentary by Jesus Bigornia: "CHDF Thugs Instruments of Political Terror"]

[Text]

CHDF in the belief that they have seen the last of the vigilantes with the disbandment of the killer "secret marshal" groups, Metro Manila received a Holy Week shock with an official announcement: The thugs of the Civilian Home Defense Force (CHDF) are coming to the city -- at last! The para-military groups are to be utilized by the mayors of the four cities and 13 municipalities of Metro Manila in operations against urban guerrillas. Rules and guidelines are being worked out by local authorities and the military for incorporation into an executive order.

\* \* \*

Since its announcement at mid-week last week, a flood of protests via the mail and over the telephone have hit newspaper offices denouncing the plan as a dangerous experiment that can only alienate the citizenry from government and government officials. The consensus appears to be that CHDF units may be good in rebel infested areas in the boondocks. Mostly illiterate conscripts from the dregs of communities, the typical CHDF recruit is ill-equipped to ferret out, let alone fight urban guerrillas.

Only the intelligence branch of the Armed Forces of the Philippines (AFP) can deal with such a delicate mission and carry it off with credit.

Para-military precursors of the CHDF have never been the objects of affection, let alone adulation. Whatever color shirts they wore, whether black or forest green, they were universally feared and hated. Negrenses feared and shunned the "Black-shirts" of Northern Occidental Negros as the Tagalogs avoided and silently hated the khaki-uniformed Civilian Guards of Central Luzon when the Hukbalahap army rampaged throughout the region. The white-shirted "private armies" of politicians, including those of the late Gov. Lacson (Negros Occidental), Congressman Crisologo (Ilocos Sur) were reviled in the press and ostracized by the decent people.

\* \* \*

If they, the para-military groups, have passed into oblivion, they have been replaced by the CHDF units who have improved on their methods of extortion with improved weaponry. In most of the provinces of Mindanao, the CHDF is an ogre ready to pounce on helpless women and prey on their husbands. The monster subsisting on meager pay must forage (euphemism for extortion)

for logistical support from a population already suffering from food shortages compounded by depredations of secessionist and communist rebels. The record of the CIDP in Zamboanga del Norte and Antique for rapine, terrorism and mass murder is so heinous it should ring warning bells. For the monster, like the Frankenstein monster, could turn on its creators.

Newspaper reports as well as privately-communicated complaints picture the typical CIDP man as a trigger-happy psycho as ready to use his government-issue gun on a peaceful citizen as on a dissident. But, as in Antique and Zamboanga del Norte, CIDP units have proved their worth as instruments for terrorizing the citizenry into voting for the candidates of the party in power or to stuff ballot boxes with tempered ballots and falsified election returns. This is the nature of the plague that authorities would inflict on Metro Manilans.

\* \* \*

Only one mayor of Metro Manila's four cities and 13 municipalities, Makati Mayor Nemesio Yabut, has publicly expressed objection to the plan. "The CIDP

has acquired the reputation of abuse, extortion and murder," he says. "I will have nothing to do with them." Yabut may well dissociate himself from the idea. He can afford to win reelection on achievements of his administration of the town's affairs, "without use of goons and thugs." By their silence, the other mayors of Metro Manila virtually concede they cannot win another term without recourse to intimidation and violence applied by CIDP units.

\* \* \*

Formation of para-military units cannot but be counter-productive. Anticipating the use of such groups for political purposes, the opposition will most certainly match the threat to their own intentions. With loose firearms readily available in an illicit market, the cities and towns of Metro Manila could easily become armed camps that could erupt in bloodshed with the slightest provocation. Such a possibility is too terrible to even contemplate. Political strategists of the ruling party should withdraw their plans. Otherwise, the blood of the innocents will be on their heads.

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PHILIPPINES

MALAYA URGES: 'ABOLISH CHDF'

Quezon City ANG PAHAYAGANG MALAYA in English 9 Apr 85 p 4

[Editorial: "Abolish the CHDF"]

[Text]

Today's carbon copy of the infamous *guardia civil* of Rizal's times are the hated Civilian Home Defense Force militiamen. Because of their uncouth, ill-bred manner and the atrocities they inflict upon the helpless civilian population, the *guardia civil* and the CHDF militiamen cannot be spoken of except in derision and in hatred.

In our country today, the Civilian Home Defense Force units operate in the rural areas where the NPAs are active. Composed in the main of the dregs of society who are too ignorant and lazy to land decent jobs, they are recruited by the military, given guns and uniforms, and authorized to spy on and arrest people whom they suspect to be subversives or dissident sympathizers. Since they are not given regular salary, they have to prey upon the population for their human needs.

All newspaper readers have read about their evil doings in the countrysides.

They are worse than the regular AFP soldiers. It will not be surprising if much of the bad name of the military is directly traceable to the rapacious conduct of these para-military groups tagged as "Civilian Home Defense Forces."

Even Minister of Defense Enrile is aware

of the low reputation and bad record of these CHDF men. When apprised of a plan to establish such units in Metro Manila, he immediately described the proposal as "unwarranted, unjustified and highly dangerous."

Since everybody is convinced of the undesirability of the CHDF, why does the government tolerate its existence? Why is the military empowered to employ their services? And what is the morality in employing such characters in the anti-dissident campaign who are not regular soldiers, who receive no pay and who have no official status in the public service?

Would it not be better to disband these para-military units in order not to compromise the name of the AFP or of the government itself? If there is a need to strengthen the AFP, why not recruit more soldiers? Why rely on armed hoodlums and scalawags who will only abuse the people?

The government should think about this matter seriously. As the records have amply shown, Civilian Home Defense Force militiamen have brought more evil than good in the anti-dissident campaign. It's time to get rid of them.

CSO: 4200/959

PHILIPPINES

OPPOSITIONIST DENOUNCES CHURCH REPRESSION BEFORE UN

Quezon City ANG PAHAYAGANG MALAYA in English 10 Apr 85 pp 1, 2

[Text] A foreign-based opposition leader, citing what he said were gross and continuous violations of human and civil rights in the Philippines, recently denounced the Marcos regime for alleged Church repression.

"Not even the Catholic Church is safe from the Nazist and fascist acts of the present (Marcos) regime which discourages, suppresses and even prohibits bishops, nuns, priests and lay Church workers from performing their sacred mission of helping the poor," said Tomas Concepcion, who spoke before the 31st session of the United Nations Commission on Human Rights in Geneva, Corregidor and the bombings of Pata Island in Tawi-Tawi which, he said, claimed the lives of hundreds of Filipino Muslims.

Concepcion said about 400 Filipino Muslims fled to Sabah, Borneo "because of the fascist terrorist acts of the military."

"The use of ruthless and corrupt military has transformed democracy of my country into a Nazi and fascist type of totalitarian dictatorship," said Concepcion, who cited the expansion of the military force from 60,000 in 1972 to 250,000 troops at present.

"It is the soldiers who torture and rape and are responsible of many mysterious disappearances and killings and massacres of entire families, including helpless women and children," he added.

Concepcion assailed the alleged favoritism in the military establishment, saying the armed forces only promotes into power "officers and generals based on ethnic and regional exclusiveness to ensure an army loyal to the President and, thus, maintain his iron grip of power by terror."

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PHILIPPINES

ARTICLE ON PRESS RESTRAINTS, OPPOSITION

Sydney THE AUSTRALIAN in English 10 Apr 85 p 9

[Article by Alan Goodall: "Defiant Editors Live in Fear of Pro-Marcos Guns"]

[Text]

"WHEN will our Easter Sunday come?" pleads freedom-fighting Filipino Felix Bautista, editor of the weekly newspaper *Veritas*, in an undisguised call to end the 20-year regime of President Ferdinand Marcos.

In Asia's only Christian country, Filipinos are in no doubt that when the editor quotes Christ asking in the garden of Gethsemane, "When will this chalice pass?" he is calling for action two years ahead of the 1987 presidential election.

And in the passionate Philippines, where seven journalists were murdered last year, daring to publish so blatantly is an invitation to an assassin's bullet.

Is Felix Bautista afraid? "God," he replies emphatically, "I'm scared."

After his most recent jibe at the Marcos military cronies, the editor steadied for the inevitable. That was when his weekly tabloid printed pictures of Manila's most luxurious villas under the caption: "Can you name the general?" But he did not get the bullet.

So the 64-year-old bluff editor plans to publish another guessing game — name the Filipino owners of pictured American mansions. That is certain to run too close to the bone.

President Marcos last week cancelled export licences of loggers who have been salting away profits in the United States against the day of retribution when the rich will try to enjoy exile. Salting abroad, Australia included, is a Filipino custom up to the highest level.

The hyperactive Manila gossip machine now says the real reason for this selective anti-salting move is that the timber exporters have been paying too much protection money to the communist-inspired New People's Army (NPA).

The NPA controls vast tracts in 53 of the country's 73 provinces. The Philippines has the fastest growing insurgency movement of any member of ASEAN.

"Come the revolution" is too real a prospect to be used even in jest in the Philippines. Scores of NPA murders and counter-killings by the military each week keep the country on red alert.

Despite his recurring illness and a near-bankrupt economy, President Marcos continues to hold the country. Next year his ruling New Society Movement must win provincial elections to ensure he or his appointee rules after 1987. The press is one victim of the worsening tension.

Still, vigilant journalists publish and get damned. Of

the seven killed last year — their murderers are still free — four received posthumous awards.

But when Tim Olivarez, a young newshound on *Tempo*, recently disappeared the press found collective courage.

A pooled editorial appeared in 11 Manila dailies and 10 in the provinces. "We in the press must ask, nay demand, the protection of the law," the frightened media announced.

"Until protection of the law is promised and substantiated by government, its claim of press freedom in this country will sadly be in doubt."

Antonio Nieva, a columnist on *The Times* journal, took up the cause in the time-honoured Filipino way of innuendo: "It is bruited about on the police beat that a military man had something to do with the disappearance of Olivarez.

"In other cases the same finger of suspicion has invariably been pointed at military men. The onus is on Lieutenant General Fidel Ramos (the commander standing in for General Fabian Ver, on leave during the Aquino murder inquiry) to trot out the officer involved."

The newspapers' rediscovered courage has a lot to do with public protests since the 1983 airport killing of Benigno Aquino. Cynics reckon it has more to do with falling circulations.

Readers tired of having to read between the lines have been turning to the so-called alternative press, publications such as *Inquirer*, *Mr and Ms*, *We*, *Forum*, *Malaya* and *Guardian*.

The one grabbing circulation — though not, thanks to businessmen's survival reaction, advertising — is the politically forthright, attractively edited *Veritas*.

At 25c a copy — more than most Filipinos can afford — the weekly tabloid has hit 50,500 circulation after only 17 months. It plans to go daily early next year.

"A Sin paper", reporters on the so-called establishment press call it.

Editor Bautista freely admits the highly political paper is the brainchild of Manila's Cardinal Jaime Sin. The "Sin connection", he chuckles when

one mentions his close link with President Marcos's most consistent critic.

"The Sin connection keeps us safe," he says. Dangerous? "Of course. Being an editor in this country is dangerous. But one has to do what needs to be done."

A regular mass-goer, he admits to always confessing the same sin: lack of charity towards Ferdinand and Imelda Marcos.

He freely invokes the Church's protection. "Any man, no matter who, would have to be crazy to declare war on the Church in this country. Even Marcos would not dare."

I tackled Mr Bautista, who looks remarkably like his patron, on the claim that he is Cardinal Sin's speech writer.

### Notions

Who else but a journalist would, I prodded, have written these lines in Cardinal Sin's recent speech to a medical conference: "President Marcos seems to have embarked on a course of action that cannot but presage his own destruction.

"Why does he isolate himself in Malacanang (the presidential palace) when his place is with his people, the same people with whom he claims he has a God-given covenant?

"It is no wonder he seems to have lost touch with reality. He seems to be using his pre-conceived notions, notions conceived many years ago when he still wanted to be with the people, which no longer apply because they are far removed from harsh realities. He has lost credibility."

Bautista retorts: "I no longer bother to deny the speech-writing charge. Yes, I'm afraid when I receive threatening phone calls, God, I'm afraid. But I have work to do and I will do it."

*Veritas* will continue to be a thorn in the Marcos side and the conscience-stirrer of what Mr Bautista calls the establishment press. At least as long as the editor and the cardinal agree. And their agreement on the Marcos threat is enduring.

In this hot, sticky Easter, Manila folk talk of Cardinal Sin as the next pope. Like any good politician, he demurs.

Though there is no doubt about the local force of his moral persuasion.

The Sin patience ran thin the day Manila papers "buried" the Aquino funeral. Two million mourners followed the bier, more than at the Mahatma Gandhi funeral. The papers buried reports under the front-page fold.

Cardinal Sin called up a group of Manila businessmen who chipped in anonymously, to set up a "fearless" paper. He did not have to look far to find Felix Bautista.

The editor of a daily newspaper ordered to close, Bautista was joined by a columnist on *Bulletin Today*, Mellinda Quintos de Jesus, who found herself jobless the day her boss got a phone call from Malacanang palace with the terse instruction: "Fire her."

*Veritas* is championing Cory Aquino, widow of assassinated Benigno Aquino, as presidential candidate to stand against Marcos or his nominee. Mrs Aquino is playing coy, saying neither yea nor nay.

Another woman has a big say on who will be next president. Imelda Marcos is the most powerful woman in the Philippines. Since a debilitating illness laid low President Marcos last November, the First Lady's exercise of power has become awesome.

The so-called Iron Butterfly denies presidential ambitions, though she has admitted her machinery will be all-important to any Marcos successor.

The most-quoted scenario is

that if President Marcos dies or is assassinated before 1987 his widow will take over. Much depends on the generals and big business. They appear to be loyal to their benefactor but, like the masses, increasingly disenchanted with Imelda.

Bautista says Filipinos cannot deny a grieving widow. After Cory Aquino is persuaded to stand the crowds will rally to her.

Then comes the danger, Bautista says. Marcos forces will pay an Opposition hopeful — he sees many of them as would-be Marcoses — to run against her and split the vote.

The US will support Mrs Aquino, he says, as she follows the Marcos line in approving American military bases at Subic Bay and Clark Air Base.

Much depends on how well the back-biting opposition powerbrokers can discipline their forces. So far that looks an impossible task. *Veritas* prodding notwithstanding.

The Marcos party is banking on the opposition split to continue past the unity deadline, the Aquino assassination date in August, into next year's provincial elections.

A Marcos hold on the provinces will ensure the President can again have his way in 1987.

The "if" factor is President Marcos's health. This Easter he appears to have enjoyed a remarkable recovery. With returned strength, his old rallying powers are back. When will this chalice pass? Patiently, Filipinos wait.

CSO: 4200/959

PHILIPPINES

COLUMNIST WARNS AGAINST RELIANCE UPON BODY COUNTS

Manila BULLETIN TODAY in English 10 Apr 85 p 6

[Commentary by Jesus Bigornia: "High NPA Toll Does Not Mean Government Is Winning"]

[Text]

BODY counts in the anti-dissident campaign mean little, if any. The stream of reports claiming increasing casualties inflicted by government forces on rebel groups in Mindanao and elsewhere is no gauge for concluding that government troops are on top of the situation and winning the war against communist-oriented or secessionist guerrillas. Communiques pouring out of Camp Aguinaldo are not too unlike those issued daily by MACV (Military Assistance Command Vietnam) during the twilight of the Indochinese War.

\* \* \*

During this period, MACV was daily claiming victories in widely separated fronts in South Vietnam, inflicting such heavy casualties on the Vietcong that bodies of the dead enemy were stacked like cordwood in the paddies fields or jungle redoubts. American dead was by comparison inconsequential, according to the US High Command. The end of the war appeared in sight and the "dog-faces" were looking for-

ward to returning to their homes in the Land of the Free and the Home of the Brave. Then boom, and the Vietcong were at the outskirts of Saigon and the Americans were evacuating.

Statistics coming out of Armed Forces of the Philippines (AFP) headquarters are creating a kind of euphoria. Citizens read of how grievously hurt the rebels must have suffered in recent skirmishes. To judge from reports, guerrilla ranks must be by now seriously decimated. Ergo: both the New People's Army (NPA) and the Moro National Liberation Front (MNLF) must be impotent. Then, all of a sudden, the newspapers bloom with reports on dissidents raiding armories and running off with leads of guns and of attacks on military and police outposts and stations. The citizenry is again assailed by grave doubts and graver misgivings.

\* \* \*

Possibly, print and broadcast media have contributed to this hazy situation. They have relied too heavily on communiques issued by general as well as regional headquarters which must be expected to be heavily sani-

tized. The so-called correspondents of newspapers, radio and television have not covered their beat as it should be covered. They have preferred the air-conditioned offices in Manila to the jungles of Mindanao and the forests of Samar and Bicol. They are a far cry from pre-martial law newspapermen who covered the anti-Hukbalahap campaign in Central Luzon in the 1950s. For how can a skirmish be reported with any semblance of accuracy when it is covered from Manila, hundreds of kilometers from the scene of battle.

There is, therefore, a need for more candor on the part of the military in reporting on the results of battles and encounters. For there is no way for the press, as the eyes and ears of the citizenry, to know whether so-called enemy casualties were really dissidents or innocent civilians caught in the crossfire or poor barrio folk used as shields in rebel assaults on military and police installations. For even Minister of Defense Juan Ponce Enrile admits that the use of human shields has been resorted to by attacking rebel groups.

CSO: 4200/959

PHILIPPINES

DAILY IDENTIFIES LAUREL, DIOKNO AS TOP CONTENDERS

Quezon City ANG PAHAGANG MALAYA in English 11 Apr 85 pp 1, 2

[Text]

The political opposition's long search for a presidential candidate in a snap polls appears to have been narrowed down to two former senators with a distrust for each other's politics.

Sources from the opposition camp identified the two as Jose W. Diokno, a human rights lawyer and street protester who had a recent bout with cancer, and Salvador H. Laurel, the moderate head of the main opposition alliance.

Sources said the two former senators from Batangas are the early choices for the four possible presidential standardbearers to be named by the political opposition before May 21. "They too, will be the central figures in the search for an opposition candidate for a snap polls," they said.

The political opposition will name four possible presidential bets under the new formula

for selecting an standard-bearer.

"But the fight will be between Diokno and Laurel," sources said.

Under a scenario disclosed to Malaya by the sources, four parties and groups will be allowed to name one standardbearer each.

The four are the United Nationalist Democratic Organization -- Nacionalista Party (UNIDO-NP), the Liberal Party (LP), the Filipino Democratic Party-Lakas ng Bayan, (PDP-Laban) and the Bagong Alyansang Makabayan (BAYAN).

Diokno is expected to be the contender of BAYAN while Laurel will be named as possible standardbearer of UNIDO-NP. The LP and the PDP-Laban are said to be still choosing their bets.

"Even in the preliminaries, Diokno and Laurel are the unanimous choices. They are expected to be the major contenders come selection time," sources said.

The LP's possible contenders are former Sen.

Jovito Salonga and Member of Parliament Eva Estrada Kalaw. The PDP-Laban has three bets - Party Chairman Aquilino Pimentel, Jr., MP Ramon Mitra, Jr., and former Con-con delegate Teofisto Guingona.

Diokno has been an unwavering nationalist, fighting Marcos openly since the height of student activism in the late '60s.

Diokno is opposed to the presence of US military bases in the country and has allied himself with cause-oriented groups on key issues.

Laurel, a member of a politically powerful clan which has produced a President and a former Speaker of the defunct Congress, is a moderate oppositionist who wants no radical change in the policy towards the US.

Laurel has been jeered by street protesters who have yet to get over his close ties with Marcos. Laurel was a member of the ruling party and only ended his association with it before the assassination of opposition leader Benigno Aquino, Jr., on Aug 21, 1983.

CSO: 4200/959

PHILIPPINES

SIN PROFILE ILLUSTRATES CONTEST WITH MALACANANG

Kuala Lumpur NEW STRAITS TIMES in English 12 Apr 85 p 14

[Article by Philip Jacobson: "Priest at the Political Frontline"]

[Text]

**H**IS Eminence the Archbishop of Manila plants both feet firmly on the desk, revealing a brawny pair of calves beneath his white robe.

"Now then, Philip," he enquires, peering through thick spectacles, "what does a famous London newspaper want with a simple country priest like me?"

Before I can answer, Cardinal Jaime Sin tosses over a draft of a speech he will be delivering later that day to some local businessmen. "Perhaps you can find something interesting in this."

It is simple all right. A thunderous denunciation of the "repression and moral degeneracy" of the Government of Ferdinand Marcos. A stinging sideswipe at the President's wife Imelda for flitting off on spending sprees abroad while poor Filipinos struggle with an economic crisis. A final call for business types to get out of the office and into the "parliament of the streets", with the students and workers demonstrating against the regime.

It is the harshest and most provocative assault the Cardinal has ever launched against Marcos, inviting retaliation from the Presidential Palace at Malacanang. He shrugs and gives a giggle: "Perhaps, Philip, over there they call me the eighth deadly Sin."

A delight to journalists (to whom he occasionally intro-

duces himself as the Original Sin), the 56-year-old Cardinal is not much admired in high places in the Philippines.

As expected, Marcos rounded on him furiously after that speech, threatening Sin with arrest for preaching rebellion and violence. Taking their cue, the ladies of Imelda's court revived their vendetta against the man they sometimes call "Miss Piggy" — perhaps for his bulk and plump round face.

The Cardinal knows all about the palace whispers concerning his alleged financial misdeeds and questionable personal life.

He also knows how to take care of himself, regaling me with a string of sharp-edged anecdotes about the Marcoses and their hangers-on, complete with excellent mimicry and delivered with the timing of a veteran comedian.

A red telephone behind him provides a hotline to the palace. "Mrs Marcos came through the other day complaining that a cartoon of her in the church newspaper was cruel. I said: 'Madam, you are our No. 1 celebrity, you're bound to be in the news. Why, even the Queen of England is caricatured in the papers there.'"

Pause. "I think the comparison pleased the First Lady." Pause.

"Yes, she would have loved that."

Then there was the time, soon after the assassination of opposition leader Benigno Aquino, when Marcos asked Sin to hurry round for a chat.

"All Manila was in an uproar, every road to Malacanang was blocked by soldiers and armoured cars, generals were running round everywhere giving orders.

"The first thing I said to Marcos was: 'Mr President, don't tell me that they have put you under house arrest.' He was not amused."

Sin is too shrewd to underestimate the clever President, but threats from the Palace leave him unmoved. "I will not resist being arrested in my pulpit," he observes.

So is Sin the doughty prelate fighting the good fight? Or the meddlesome priest, as wily and calculating a politician in his way as Ferdinand Marcos?

It depends on your perspective, says one Western diplomat (who then recalls that Sin is supposed to have coined the crack about everything in the Philippines being relative: "Yes, you have to be related to the Marcoses").

The crucial point is that this is one Cardinal with plenty of divisions to his name. Well over 40 million Filipinos (some 80 per cent of the population) are Roman Catholics, the largest congregation in Asia. And in no other nation in the world is Catholicism more deeply embedded as a living faith in every level of society.

★ ★ ★ ★ ★

The extravagance of Filipinos' devotion is sometimes embarrassing for church authorities, as when young men burning with zeal have themselves nailed to the cross at Easter or struggle on hands and

knees over broken glass to one of the many holy shrines.

Visions, miracles and omens are part and parcel of everyday religion to the ordinary Filipinos, and this passionate attachment to their faith provides Sin with his most effective political asset.

Thousands of priests and nuns, tens of thousands of lay workers, reaching out from the cities to the wildest corners of the country's countless islands, give the church an intelligence network superior to anything that the Government can muster.

Into one end of this pipeline go reports of Sin's fiery speeches and his pastoral letters attacking official corruption and the abuse of human rights. Back along it come the complaints of the poor and oppressed.

"Ordinary Filipinos see their priest, not the Government, as the ultimate source of authority," explains a churchman close to Cardinal Sin. "If something goes wrong, if soldiers rape their women or the local landowner cheats them, where are they going to turn? To the army or police? Forget it. The mayor? He's been paid off. No, they take their problems straight to Father Juan."

The crunch was inevitable. With no real political opposition to turn to, the church became the focus and voice of popular discontent with the Marcos regime. "It isn't Sin's fault that he is in the frontline now, but he seems to like it there," says one diplomat. "He has said that he regards this as a war of attrition. Marcos has the guns, but the church has the Filipinos."

Since the President shares that view, their personal collisions are

certain to become more serious.

Sin maintains that he never — well, hardly ever — preaches politics from the pulpit. Taking politics elsewhere is another matter: he is always available for the meetings of civic and professional groups, even if he can hardly stand the sight of the rubber chickens hotels dish up on such occasions.

I followed the Cardinal to an after-dinner speech at a doctors' gathering. It is known that when Sin opens in jovial mood, some heavy bombardments may be expected.

"Well, my dear brothers and sisters in Christ," he began, looming over the lectern in full episcopal purple, red biretta shoved back on his head, "I'm pleased to be among doctors, because people are saying that I should be taking care of myself these days. So many things are now subversive to a Government that sees communists under every stone. In fact, even saying this could land me in hot water, but never mind."

★ ★ ★ ★ ★

Speaking the accented English of his native Visayas region in a slow, sonorous voice, Sin was quickly into his stride, castigating the regime with a fine Old Testament turn of phrase which appeals to the dramatic side of the Filipino nature.

"The people are beginning in the streets for justice, and they receive tear gas. The people yearn for change, and they get the blind fury of the millions of the law, who break their bones and crack their skulls. With nothing in their hands but a rosary, even priests and nuns are not spared."

Could the church remain silent, Sin demanded, banging the

lectern to emphasise every sentence, when "important persons" were blind to hardship and suffering? "If I do not speak out, who will?"

People were on their feet, cheering and flashing V-for-victory signs. Sin waited for silence, then began to sing the national anthem — *I Love My Philippines* — in a piping tenor. Suddenly people around me were in tears.

The skill with which Sin works a crowd reminds some observers of Ferdinand Marcos, at his most persuasive, and plenty of Filipinos will warn you not to take his broadsides against the regime too seriously.

"How can he bear to bless the Marcoses' marriage if he truly believes that the regime is evil?" asks one young woman active in the church. "What is he thinking of, celebrating Mass at a New Year's Eve party at the palace with all the rotten, corrupt people who are ruining our country? Aquino's widow was invited, but she had enough class not even to reply."

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The Cardinal is not at ease discussing such criticism. The Marcoses are parishioners like any other, he argues, entitled to the services of a pastor. "The sacraments are intended for sinners, after all. If you're saved, who needs them?"

In any case, Sin does not accept that the time has come to abandon what he describes as "critical collaboration" with the authorities. As he observes, foreign journalists expect to find him clad in armour, brandishing a righteous sword. "But I must be a minister of reconciliation as well as a prophet of denunciation. Not an easy act."

Philip, believe me."

Marcos had urged him to join the commission which investigated Aquino's murder. Sin says he told the President that a priest's stock in trade was forgiving the guilty, which was not the commission's job.

Some Sinologists maintain that he deliberately keeps Marcos off balance, never knowing what to expect from the inhabitant of Villa San Miguel, the Cardinal's official residence (named, he enjoys pointing out, after the same saint as the Philippines' favourite beer).

Those who knew him when he was plucked out of an obscure backwoods diocese to succeed a conservative Archbishop recall his protests that he was unsuitable for the job, a provincial plodder among the cream of the great Catholic universities.

That said, he set about transforming a church unpopular for its opulence, its reactionary doctrines and its cosiness with a regime then holding down the country with martial law.

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Sin was determined to distance his church from Marcos and the generals, declaring after a few months in office that his duty was to denounce injustice. It was obvious that this would end in serious confrontation with the Government, and there are those who believe that Sin had decided that Imelda Marcos and her "magic circle" provided the ideal soft target on which to focus popular resentment.

Sin always denies that there is bad blood

between him and the First Lady, but that wasn't how it looked when serious hostilities commenced in what is fondly remembered as the Great Porno Movie Debate.

In 1982, Imelda launched the Manila International Film Festival, a glittering affair to which she flew over a horde of jet-set friends at the Government's expense.

Under pressure from the Philippines' foreign creditors, the President withdrew official funds from the 1983 proceedings. His wife responded, with characteristic bravado, by announcing, in her capacity as Governor of the capital, that censorship would be lifted on what Filipinos call *bombas* — soft-porn movies — to raise the cash for her pet project.

The festival eventually ran its course, but Sin sensed the opportunity to broaden and personalise his attack. If legitimate protest against pornography could be stifled by "the arrogance of a very important and powerful person", he warned, then there was no hope for Filipinos under the Government of the day. For her part, the First Lady let it be known that she never forgot or forgave a slight.

As critics point out, Sin's readiness to take on the Marcos regime is not matched by any sympathy with progressive Catholics over sensitive issues such as abortion and divorce. His frequently-voiced suspicion of communism also seems to place him behind John Paul II — with whom he gets on famously — in the divisive debate about "Liberation Theology" in the Third World.

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The priests and nuns taking their punishment in the front rank of demonstrations in the Philippines resent that, accusing Sin of talking tough but toeing the Vatican line.

Yet he refuses to condemn his own rebels — one priest has been killed in action alongside communist insurgents, another is a guerrilla leader, church people are periodically detained, often tortured, as "subversives" — despite taunts from Malacanang. "I understand, even if I cannot approve."

When the mangled bodies of anti-Government protestors are dumped by Government "salvage squads" in front of Manila cathedral, Sin observes, it is understandable, however regrettable, if people despair of non-violent opposition.

Is he in any danger? "If they want to kill you, they will. But this is not El Salvador, not yet anyway."

As for himself, 10 years of struggle have not dented a faith so simple and trusting that he once gave the Virgin Mary a deadline to cure his troublesome asthma — or he would quit the church. "Nobody is going to shut me up, certainly not Mr Marcos, because I have a duty to judge the morality of the actions of our Government."

It seems fitting to end an account of a jolly, courageous man, struggling in his own fashion to improve life for fellow Filipinos, with one of his favourite feeble jokes. Have you heard, he asks, that the Vatican has officially approved a pill for birth control for married couples? "Yes, a sleeping pill."

PHILIPPINES

COLUMNIST URGES REJECTION OF 'TERRORIST' LABEL ON NPA

Quezon City ANG PAHAYAGANG MALAYA in English 24 Mar 85 p 4

[From the "This Is My Own" column by Joaquin R. Roces: "Communists Are Not Just Terrorists"]

[Text]

In his speech before the PMA cadets in Baguio, the President almost for the first time made an assessment of the peace and order situation without resorting to the usual "body count." He must have realized by now that telling the cadets of the hundreds and even thousands of MNLF killed and thousands of NPAs killed, while at the same time admitting that there are now more NPAs than even before, would be a confession that in a country where there is poverty and injustice no army can kill rebels as fast as they can be recruited.

The President's speech, in fact, is entirely different from all others he used to deliver before on the dissident problem. He has finally recognized

the communism movement in this country as a formidable enemy. And for once, he did not refer to them as nothing but "terrorists." For if the communists were nothing but "terrorists", they would not have been able to win over so many "hearts and minds" of people in the countryside, and even the Chief of Staff of the Armed Forces, the much respected Fidel Ramos, would not like the President admit, at last, that it is only incidentally a military problem, but more basically a social and ideological problem as well.

The President, his on the ground, said: "It is regrettable to note that the communists seem to be scoring well on the propaganda and while in the field, they are being

driven from pillar to post by our forces."

This was the President wondering why the armed forces were winning the "shootouts", scoring high in the "body count" while at the same time scoring low when it came to winning the support, admiration and respect of the people.

There are verified reports that NPA units many times have been seen to observe more discipline than some units of our armed forces. In the countryside, they are reputed to have better public relations. In some respects, they enjoy more credibility. It is obvious that they do not derive all their strength from their guns.

The last thing most of us want is a communist government established in our country. But the communists have served to awaken our people in many respects like they

have served to awaken our government and its leaders. When the President announced the expenditure of huge sums of money to be allocated to the different regions for the amelioration of the people, he did emphasize that bigger sums would be allocated to those areas that seemed to be sympathetic to the communist guerrillas. In this respect, the communists have forced the government to do more than they are doing for the people now.

American economic aid, therefore, properly channeled towards the welfare of the masses, will in effect be more helpful in the fight against the rebels than purely military aid.

If doing away with the rebellion is our intent, the first thing we must do is get rid of all the discontent.

PHILIPPINES

CONSTABULARY KILLS NPA 'KIDNAPPERS' IN DAVAO FIREFIGHT

Davao City THE MINDANAO DAILY MIRROR in English 28 Mar 85 pp 1, 7

[Text] Davao City--Five NPA rebels who had kidnapped and killed an undetermined number of persons in Mati, Davao Oriental were themselves slain in a ten minute gunbattle with a constabulary team in San Martin, Marundan in Mati last March 23.

The slain kidnappers were identified as Romeo Gonzaga alias Commander Cristo from Maco, Davao del Norte; Avelino Togon, 21, single of Mati; Mario de la Cruz, 23, married of barangay Taguibo in Mati; Editho Palior, 29, single, a native of Labonga, Leyte; and Daguy Lagcito also of Taguibo.

The constabulary team was composed of Major Macakiling Guiling, assistant provincial commander; Capt. Latip Kanakan; Capt. Lipasan Oriong, intelligence and operations officer; 1Lt. Orville Napoles of the 433rd PC Company and a number of enlisted men.

Major Guiling said Gonzaga (Commander Cristo) was positively identified by several witnesses as the one responsible for the kidnapping and killing of several persons along with his group in the upper barangays of Mati, including the liquidation of Attorney Buenaventura Tesiorna in barangay Calapagan, Mati last October 12, 1984.

Also on March 22 last year, Gonzaga's group abducted a sister of TSgt. Juanito Inao of the provincial constabulary command, demanding for his licensed firearm. The girl was released the following day when Inao showed Gonzaga a deed of sale showing the gun had already been sold in 1975.

Major Guiling said the five slain men had earlier held hostage several people including a certain Romeo Hanog, an employee working with the provincial auditor's office in Mati and had demanded that they surrender their licensed firearms.

Recovered from their bodies were an American-made .38 caliber revolver with four empty shells and two live bullets, a .22 caliber revolver with five empty shells and bearing a defaced serious number, several double-bladed weapons and subversive documents.

CSO: 5600/4324

PHILIPPINES

AFP REPORTS 45 NPA EXECUTIONS IN SOUTH

HK120444 Hong Kong AFP in English 0431 GMT 12 May 85

[Text] Manila, May 12 (AFP)--Communist guerrillas have executed at least 45 people in a southern gold mining settlement since November, a newspaper reported here today. Most of the 45 were alleged government informers; their bodies were dumped in abandoned mine workings in the village of Boringot, in Pantukan Town, 950 kilometers (565 miles) southeast of here, the BULLETIN newspaper said, quoting military officials in the area.

The alleged informers were tortured and tried by courts set up by the New People's Army (NPA), the military wing of the banned Communist Party of the Philippines, the newspaper reported.

Three NPA men died Wednesday in a clash in Pampakan Town, in south Cotabato Province which lies west of Pantukan, while a woman insurgent was shot dead in Davao City near Pantukan, the DAILY EXPRESS newspaper said, quoting military officials in the area.

Meanwhile, other press reports said that five members of the security forces --including an Army captain--had been killed in the past week in clashes with communist guerrillas around the country. Military spokesmen here could not immediately confirm the reports of the executions or the government losses.

CSO: 5600/4327

PHILIPPINES

EXECUTIVE SAYS NO COMMERCIALLY VIABLE URANIUM RESERVES

HK131546 Manila BUSINESS DAY in English 13 May 85 p 2

[Text] The country does not have commercially viable uranium reserves, contrary to claims of proponents of the Bataan nuclear plant project, a mining executive said.

Luisito B. Albarracin, Benguet Corporation vice-president for exploration, said it is true that Benguet and Getty Oil have found traces of uranium within the old Philippine Iron Mines area in Camarines Norte during their exploration work conducted in 1979 to 1981. However, the uranium mineralization is erratic at best and occurs only within narrow zones which means potential tonnage is limited, he pointed out.

Albarracin said the indicated grade of the narrow zones is only 0.005 percent uranium, which is much too low and, therefore, not commercially viable. He said such grade is barely one-tenth to one-twentieth of that of most of the existing uranium mines in the world.

Because of poor results, he said, Benguet and Getty discontinued exploration work and turned over the area to the Bureau of Energy Development (BED) sometime in 1981. He also said similar results were also found by another company in Negros.

Energy Minister Geronimo Z. Velasco last 25 March at the Kapihan sa Maynila [Manila Coffeeshop] forum claimed that Benguet Corporation and Getty Oil have found minable uranium. The Ministry of Energy (MOE) likewise treats uranium energy as an indigenous source in their statistics, notwithstanding the fact that the uranium that will be used for the nuclear plant will come in processed form from foreign, particularly U.S.-controlled sources. Recently, a newspaper columnist (not writing for BUSINESS DAY) claimed that the Philippines has the fourth largest uranium deposit in the world.

CSO: 5100/4307

PHILIPPINES

BRIEFS

NPA AMBUSHES 2 BUSES, KILLS 4--Communist terrorists ambushed Wednesday evening two commercial buses plying along Tagum, Davao Del Norte, during the span of 2 hours. Military sources said four persons were killed and three others wounded in the ambush. The two buses, owned by the Bachelor Express, were ambushed along kilometer 60 and 62 in (Kadapan), Tagum. Southern Mindanao PC-INP [Philippine Constabulary--Integrated National Police] Regional Commander Diongesio Tan-Gatue said the buses were set on fire by the armed men. [Text] [Quezon City Maharlika Broadcasting System in English 2300 GMT 2 May 85 HK]

BARANGAY OFFICIAL SLAIN--Naga City--Men suspected to be members of the New People's Army (NPA) gunned down the president of the Association of Barangay Councils (ABC) of Oas, Albay, at about 10 p.m. last Monday inside a pub house in the Oas town proper. Member of Parliament Victor Ziga (LP-Albay) said the victim was identified as lawyer Oriel Rabanal, 40, a member of the Oas Sangguniang Bayan in his capacity as ABC president. Ziga said he received a Constabulary report from Col. Cesar Averilla, Albay PC-INP commander, that Rabanal was shot at close range by the NPA suspects. He died on the spot. Witnesses told police探者 the gunmen were strangers in the area. [By R. Sinfuego] [Text] [Manila BULLETIN TODAY in English 22 Mar 85 p 1]

CSO: 5600/4316

THAILAND

MAGAZINE SEES THREAT TO CALL FOR PEACE ZONE

BK041158 Bangkok WIWAT in Thai 30 Apr-6 May 85 p 4

[Editorial: "Zone of Peace Versus Manila Pact"]

[Text] It is the common stand of the ASEAN countries to resolve the Cambodian problem by appealing to Vietnam to withdraw its troops from Cambodia and allow the Cambodian people to freely exercise their right to determine the future of their country. Thailand and the other ASEAN countries have also expressed their desire to transform Southeast Asia into a zone of peace, free from arms proliferation.

However, the Vietnamese influence in Cambodia makes the ASEAN desire for a zone of peace very difficult to materialize. In particular, the prolonged conflict between the Vietnamese and the Cambodian resistance forces has directly threatened Thailand's security and has been a cause of widening differences among the ASEAN countries.

Vietnam's persistence and its acquisition of modern arms as well as the Soviet desire to have a large forward base in Asia and the Pacific naturally affect any desire for a zone of peace which is free from arms proliferation in this region. But the concept of a zone of peace in this region must be maintained if at all possible because it is praised the world over and because Thailand's and ASEAN's security and regional progress will be enhanced by it.

Looking at recent U.S. attitudes, several U.S. activities make it appear that the United States is paying increased interest in balancing Soviet and Vietnamese influence in this region. The U.S. Congress has approved the use of funds for humanitarian and other assistance. This amounts to consent for the anti-Vietnamese Cambodian resistance to use the money to boost its military strength. U.S. military assistance to Thailand has also increased and has been unusually free flowing.

U.S. President Reagan recently reiterated the U.S. commitments to the Manila Pact, which concerns military cooperation in Southeast Asia. This points to the trend that the concept for a zone of peace in Southeast Asia will be increasingly shaken. Thailand and other ASEAN countries will be persuaded to become a zone for proliferation of arms along with political games played by the superpowers.

Certainly, Thailand needs military assistance from the superpower to a certain extent. Reduction of Thailand's military expenses through U.S. military aid is currently important for Thailand and its armed forces. But the Thai Government must think carefully if such assistance will make its desire for a zone of peace and neutrality go astray. A zone of peace and neutrality is an enormous task which will be greatly affected by increased U.S. assistance and Soviet pressure on Vietnam.

The firm stand of Thailand and the ASEAN countries regarding their hopes for this region, which is recognized the world over, must be preserved tenaciously. Thailand's foreign policy must not be swayed by any influence to become involved in the power balance game in which small countries merely serve as the arena.

CSO: 4207/205

THAILAND

OPINION MAKERS REACT TO CAMBODIAN BORDER SITUATION

Surin Border Military Needs

Bangkok THAI RAT in Thai 21 Mar 85 pp 1,7

[Excerpts] On 20 March at the Suranaree Military Division headquarters, Lt Gen Phisit Himabutr, chief of Army Region 2, announced to reporters concerning the Thai-Cambodian border situation that Thai military assessments have been able to estimate the deployment of large numbers of Vietnamese troops very close to the Thai-Cambodian border in the areas of Chong Obok, Ban Kruat District, Buriram Province, Chong Phrapralai, Khun Harn District, Srisaket Province, and Tatum, Surin Province, where there are preparations for major attacks. Nevertheless, we cannot foresee what the future situation will be because it depends on Vietnam's military forces as well.

Lieutenant General Phisit also disclosed that, based on intelligence reports on Vietnamese troops in various locales, there are around two divisions at Chong Phrapralai and currently there are regular additions to their forces. As for Chong Obok, there are 1,000 men who are set to take on Thai forces directly and they also are stepping up their preparations to drill for water and logistical supplies. It is believed that Vietnam surely will not withdraw from these areas.

Intelligence has reported in addition that Suranaree Division forces currently are still patrolling along various border points that obstruct Vietnamese forces, including areas of Nam Yuan District, Ubon Ratchathani Province. In addition, Region 2 troops have sent a number of soldiers to Hill 424 to clear the area once again because there is still a number of Vietnamese soldiers sparsely deployed along that hill.

Concerning people who have left their homes since the violent fighting occurred, reporters report that refugees are beginning to return home, both those with and without official permission, because the fighting has calmed down. Provincial social welfare official have checked their various losses in order to get relief from the Welfare Department.

Mr Sana Moonsart, the governor of Surin, disclosed to reporters that coordination between the local administration and the Suranaree Division has not been sufficiently smooth due to a lack of communications equipment. Therefore, the provincial administration has requested the Suranaree Division to install

communications equipment at Surin that uses a satellite transmission system so that communications and coordination with other communications networks are more accessible and successful. Relief can then be sent out promptly when our troops clash with Vietnamese soldiers who intrude across the border and request help from the [provincial] administration headquarters. Currently, the Suranaree Division is completing the installation of communications equipment at Surin.

Our reporter met with a head of the rangers who are at the very front lines of the battle. He told our reporter that, right now, the rangers need underclothes, such as socks, underpants, and undershirts, and canned food. During the last battle, they ate only "Ma Ma" instant noodles the entire time. Right now the weather is cold so they must travel from border areas to get help from the provincial administration and the Suranaree Division.

#### Kriangsak Comments

Bangkok THAI RAT in Thai 14 Feb 85 pp 1, 16

[Excerpts] Gen Kriangsak Chamanan, former prime minister and head of the Chart Prachatippatai Party, gave an interview to reporters at his Bang Khaen residence yesterday. Reporters asked about the ASEAN policy of supporting the Khmer tripartite coalition government and received the reply that he would not comment on the rightness or wrongness of this matter, that time will tell. It is impossible to solve a problem if we do not maintain our objective and keep on changing back and forth. When we decide to solve a problem, we must maintain our objective, maintain the position that we think is right; then we should carry it out further. General Kriangsak also stated that he felt awkward when ASEAN resolutions are mentioned, that he does not want the war to intensify, and that if the war intensifies, our economy will be worse.

General Kriangsak also stated that he does not agree with Vietnam's use of force to occupy Cambodia, but that each person has a different opinion. We must protect our country's interests as the main thing and if the war in Cambodia persists, Thailand will be the only party disadvantaged by refugee problems as well as the military forces that confront it along the border, and by economic and investment problems because foreigners listening to news reports do not understand Thailand. They think that Thailand is a tiny point and that the fighting is right around Bangkok. A reporter asked about his reaction, as it is known the UN secretary general has visited Hanoi and said that the Vietnamese wanted to negotiate. General Kriangsak replied that each side blames the other side, that neither side is sincere in negotiation. Each side says that the other's proposals do not contain anything new. At the same time, the economy in our country is not too good -- so, why should we fight and why are we getting involved? Being involved this much should be enough. Principally, we have to be self reliant and do not even think of depending on another person's nose to breath or on superpower aid. He is not worried about the military, about the fighting, he is not afraid of Vietnam coming in. Our soldiers have spirit and our people are united in time of trouble. Our hearts are centered on the King and in Buddhism. But the thing that he is afraid of is the economy of our country. Let us not argue, let us forgive each other and be united.

General Kriangsak stated further that he is disappointed that Mr Pham Van Dong, the prime minister of Vietnam, gave his word that Vietnam would not send troops to intrude and shoot into Thailand. But there have been intrusions and shootings into Thailand. So he is disappointed. And hopefully those events will not occur again. General Kriangsak stated that as he looked at solving of the problem by both sides, namely, ASEAN and Vietnam, that it is a dead end road. The fighting will be prolonged, negotiations will be more difficult. We must apply diplomatic and political methods. The superpowers that are involved and have roles should talk. There is no way [that the problem will be solved] if ASEAN and Vietnam are mde to talk. To win militarily seems to be a dream because this [war] is a matter for the superpower countries. It will not end easily and it is not good for Thailand, which is in the front lines.

Editorial on Loss of Phnom Malai to DK

Bangkok THAI RAT in Thai 19 Feb 85 p 3

[Text] The last important strategic Khmer tripartite stronghold, Phnom Malai, has been lost to the forces of Vietnam and Heg Samrin. The situation at the Thai-Cambodian border right now is considered very critical and a sweep by the Heng Samrin forces with the support of thousands of Vietnamese troops has made the Khmer resistance forces break down into guerrilla units. And the battle has changed in nature from a counterattack into a guerrilla war.

Because of this development, the Thai border is controlled by a Thai and Khmer enemy that is supported by Vietnam. Even the attempt of the UN secretary general, who travelled and observed the situation himself and went to meet with Vietnamese leaders in Hanoi, has not accomplished anything, except that Vietnam is trying to win a total victory in the Cambodian war.

When it is like this, demands, whether from the UN or the ASEAN bloc itself, to have Vietnam withdraw from Cambodia are just demands blowing in the wind. Vietnam does not pay any attention to [these demands] at all, moreso when they have seized the last Khmer tripartite strategic point. They have the upper hand; this has completely changed the entire nature of the war in Cambodia.

Nobody expected that the war in Cambodia would end in this fashion. But the most certain things are the various burdens that Thailand must be prepared to confront, this situation and the influx of hundreds of thousands of refugees escaping from the war, which will increase indefinitely.

Presently, the problem is how many more of those refugees must we accept, how much will the relief budget be increased? And will third countries help or it will continue to be responsibility of the International Red Cross? These are humanitarian problems where we should pour in more relief to those refugees, at least to the sick or to lost children, women and older people. Extremely few have survived the killing, illness or extinction from the dangers of the war that has broken out from Vietnam's invasion.

The Khmer tripartite's Phnom Malai stronghold all along has been considered to be important as a political bargaining point and as a diplomatic operations

point. Right now its loss has become a major loss for the Khmer people, who will not have anything left anymore, specially a spot for their government, which is supported by members of the UN and ASEAN.

Changing the nature of the struggle into guerrilla warfare will make the war drag out and increase the exhaustion of the Khmer people and other forces because of conflicting opinions and interference from outsiders. Then all will face final destruction, until one day the name of Cambodia will be erased from the map of this region, a country that has thousands of years of ancient history.

#### War Seen as Loss for Thailand

Bangkok THAI RAT in Thai 20 Feb p 5

[Text] Some persons have attempted to study the history of mankind and discovered that there has been a total of 40,000 wars since mankind has been in the world.

That figure surely will not be accurate or persuasive but it might point out that waging war to solve conflicts or in self defense came together with humanity.

The Thai nation is nothing different from other nations: we have waged countless wars with other nations, especially with Burma, and the Thai people have been able to survive to today because our Thai ancestors were warriors by nature.

When their capital fell, they persevered in fighting until they won. So that is why we have survived and have been a nation until the present time.

In theory, war is a tool or method for solving conflicts, which is the ultimate resort when diplomatic negotiations fail.

In the case of the conflicts that are now breaking out in this region, particularly in the case of Cambodia where there is fighting going on in what appears to be a drawn out war, Thailand -- which is a front line country with territories adjacent to this trouble spot -- surely cannot escape but must get politically involved with [these conflicts]. However, we surely cannot deny that we must do everything for our national interests, for those of the people of Thailand and, finally, for the survival and independence of the nation.

But at the same time, the protection, of our national interest must surely be done by calculating the gains and losses, by trying to avoid and minimize the losses to be the very least possible.

As a start, [we should] not to make ourselves stagger into and become a partner in the fighting when it is not an actual necessity, or be an intermediary pulling in other nations to broadly help us by having bases set up in our country and foreign soldiers roving around in the country.

If we consider the conflict that has broken out in Cambodia now, we will be able to see that countries that stagger in and get directly involved -- because of sincere beliefs or correct policies or because they cannot pull themselves

out any longer because they are already deeply involved -- become dependent on the superpowers by receiving weapons aid and military equipment combined with economic aid of \$3-4 million a day. There must have been certain tradeoffs, especially as they had to fall into a state of dependency.

At the same time, the fighting that is occurring in Cambodia has caused a lot of death and bloodshed by the people in the nation. This war exploded more than 3 decades ago. The war must continue and surely is a war that they must fight, even though they are tired of fighting.

The loss that occurs is the concentrating of resources into waging war, the need for high expenditures to feed the armed forces that are fighting in Cambodia and the necessity of deploying forces along the northern border next to China.

At the same time, China is relying on the situation, which is luring its opponent to lurch into the political mire to develop and modernize its country. And if that kind of situation persists for another decade, China will progress and improve its people's standard of living while another country still is drowning in the hellish depths of a war that does not seem to quiet down easily.

The price that must be paid for making war -- which should be the final resort -- is expensive because it is a price paid by blood and iron, hardship, starvation and total lack of freedom because it must depend on aid from other nations.

The damage that occurs will persist and subsequently have an impact on the economic and social systems, and in the long run, there will be a pitiful loss of resources and opportunities.

War is then a progressive activity that usually leads more to a destructive than a constructive situation. Wars have negative impacts in destroying resources, the environment, the economy and society, and opportunities for building and development in order to build up national forces.

Psychologically, a war that drags on causes pessimism, exhaustion and despair. When we analyze war in that fashion we should conclude that Thailand should try to avoid staggering into involvement in the war that has broken out in Cambodia. Even though there are invasions of its sovereignty and Thailand is incited, it should try to defend itself in the best way.

Hastening in to invade and attack might be a necessary strategy and get as good results as an unnecessarily risky strategy method, especially if it is a trap laid out to have us fall into the trap of direct involvement in the war.

This is because we have economic advantages, even though the situation along the border costs us more for the defense budget, but it can not be compared with directly jumping in to wage war.

Politically, the world is now condemning the occupation of Cambodia by a foreign army, which can be seen from the resolutions passed in the UN every year. Even the prime minister of Yugoslavia, who recently visited Thailand, has the same opinion. Many countries surely understand and sympathize with Thailand, which is a front line country threatened by war and a direct threat to its security.

If we stagger into waging a war of invading a territory where there are disputes and fighting, we might change our status to that of a disputant or be engaged in the fighting. The moral principle of self defense that we previously held to and our political advantages might decrease along with disturbances to our nation's economy. These would be caused by a massive increase in the military budget and a loss of natural resources and manpower, instead of employing resources and time in developing the country while one of our neighboring countries is employing its resources and time to lead the country and its society deeply into a pit of disaster, caused by a war that they staggered into headfirst and cannot extricate themselves from.

War might not be something that we can always avoid in some cases, but it should be the final resort, when other measures and methods have already failed. Strong attempts to avoid waging war should be made in cases where we are on the side that will lose out tremendously. This appears similar to the conflict in Cambodia case, which confirms our analysis above.

Therefore, there is no reason for Thailand to push itself onto a pathway that is filled with more losses than gains.

#### RTG Warned Against Invading Cambodia

Bangkok MATICHON in Thai 5 Apr 85 p 5

[Text] Try to ask yourself, just once, the question, "When is the Cambodian war going to end?" It is easy to ask but difficult to answer, isn't it? It is difficult because you cannot perceive a definite conclusion for the present situation.

That it is... I think that the question and answer are [summed up in] two statements: Thai people in nearly the entire country sincerely do not perceive how and when a million year war between Vietnam and Cambodia will end.

Let us get down to business now. I think that it is not a matter of Cambodia and Thailand. They are really separate countries. But as long as Cambodia is not stable, then Thailand will not be at peace, either.

[This is] because our houses have a common wall; when the poles of one house are shaken, both houses shake.

Let's think again. It is very necessary that we express our fondness without breaking down our house; we do not have to separate the walls. Do you want both houses to collapse, do you?

We are expressing our neighborly spirit: we give them rice, water and shelter, so that our cup runneth over with kindness. But for us to jump in is for "the blind to lead the blind," by solemnly declaring that we will live together or die with our ASEAN pals, by cooperating militarily and politically with Cambodia. It looks like a thrilling decision. Just staying "neutral" as in the old times should be adequate... I think.

I do not know if I am commenting too much, because after the six country ASEAN cabinet meeting announcement, I have not seen any other important persons in other countries express their opinions, other than Mr Prem, who confirmed his agreement with the measures...

...including the military, who are the ones who must act in accordance with the new policies...

...or is it that Thailand's democracy depends on what the leader of the government says, that what he says goes?

When we cooperate militarily [with Cambodia], I would like to know how confident the Thai government is that the war in Cambodia will end with the Khmer tripartite as the victors.

I also do not know where "Mr Sitthi Sawatasila," the minister of Foreign Affairs, got his theory that the war in Cambodia will end by using military force.

But the truth is, as I emphasized in the beginning, that in spite of the policies of military and political cooperation with Cambodia employed to fight Vietnam, no one can answer to himself when and how [the war] will end.

Even though the United States flew and bombed Vietnam a hundred times daily, Vietnam still, with its last strength, managed to smack the United States into a corner, but ASEAN has only a toothpick' it is like using a short stick to scrape crap, which will only get your hand filthy. It would be like adding water to a flood and inviting trouble into your home. Home and country will be devastated.

As a matter of fact, I do not believe that there will a nuclear war this era, as when the United States bombed Hiroshima and Nagasaki with nuclear bombs. The United States, Russia and China would not dare to make it happen again. Therefore, the Vietnam war will not amount to anything, with the sides just stinging each other back and forth for decades.

Decades from now there might not be a man named Prem as prime minister in Thailand; all his troubles will be behind him then. But [how about] us, our children and grandchildren; will we and they have to crawl with one leg because the other leg is tied to the Khmer like this?

During the world war, people fought for life and death, but the United States, as close as it was, had nothing happen to it. Instead, it became rich from the war. This is a good lesson, but we have not learned it; why are we so utterly stupid?

12951  
CSO: 4207/180

THAILAND

NAVY SECRETARY VIEWS 15 MAY BORDER OPERATIONS

BK151410 Bangkok Domestic Service in Thai 1300 GMT 15 May 85

[Text] Rear Admiral Sakchai Kaeochinda, Royal Thai Navy secretary, has told newsmen that operations to push out the Vietnamese intruders from the border area in Trat Province continued on 15 May. Backed by artillery fire and air attacks, the soldiers advanced to try to take control of the third target in the areas still to be taken back from Vietnamese intruders in Ban Chamrak, Muang District, Trat Province. In fact, most of the areas were recovered yesterday.

As a result of today's operation, the soldiers discovered several dead, buried Vietnamese soldiers. They also found several AK rounds. The navy secretary said a number of Thai personnel were wounded. Thai soldiers are steadily advancing to take control of more ground, but they must be very careful due to landmines planted by Vietnamese soldiers. The navy secretary said the Vietnamese have begun retreating and he believed the operation would be completed in a few more days.

CSO: 4207/205

THAILAND

DEPUTY MINISTER'S STATEMENT ON CAMBODIAN ROBBERS

BK181549 Bangkok Domestic Service in Thai 1300 GMT 16 May 85

[16 May statement by Deputy Interior Minister Wira Musikaphong to the House of Representatives session in the National Assembly building--recorded]

[Text] There are a large number of Cambodian people, the resistance soldiers loyal to Prince Sihanouk, and independent groups of Cambodian armed elements scattered along the Thai-Cambodia border, particularly more than 40,000 of them in areas opposite Surin Province. We have known about the plundering incidents against Thai villagers in Surin and other provinces by armed Cambodian elements. We have seriously investigated them and gathered information from our civilian, police, and military units. It can be concluded that there are two major reasons for armed Cambodian elements plundering Thai villagers. First, there is smuggling carried out by some Thai and Cambodians along the border, and there have been conflicts of interests and deceit among them. This is considered a major cause. The other reason is the hunger of the armed foreign soldiers. Besides, most armed Cambodian elements plundering Thai villagers belong to independent groups who lack discipline and carry on as bandits. As a result, we have taken appropriate steps to cope with the situation.

I would like to deny as groundless the charges made by some members of the House of Representatives that the government is not serious and sincere in solving this problem. The government is serious, sincere, and concerned about the welfare of every Thai citizen as members of the House are. Whenever such incidents occurred, government officials rushed to the scenes immediately. Some MP's here noted that the deputy education minister and the prime minister had gone to visit the troubled areas. I should like to add that the interior minister also did.

CSO: 4207/205

THAILAND

NAVY CHIEF SAYS 800-1,000 SRV REINFORCEMENTS

BK101528 Bangkok Domestic Service in Thai 1200 GMT 10 May 85

[Text] Navy Commander in Chief Admiral Niphon Sirithon, reporting on the border situation in Chanthaburi and Trat provinces, said the navy is trying to push foreign forces out of the country as soon as possible. Here is what he told newsmen:

[Begin recording] [Niphon] We are trying to push them out. I believe the operation would be over today. This is what I believe.

[Unidentified correspondent] What is the number of the new reinforcements?

[Niphon] Whose reinforcements, ours or theirs?

[Correspondent] Theirs.

[Niphon] About 800 to 1,000.

[Correspondent] Have there been more troops sent in?

[Niphon] Yes, from 800. Now there are about 1,000, or approximately a battalion.

[Correspondent] What is their purpose?

[Niphon] They want to keep strategic or important positions on a high altitude for observation of our country.

[Correspondent] Do we know at all about their losses?

[Niphon] As we have already reported, we first found three dead bodies of the other side. Later on, the number became eight. We also suffered losses, as already reported.

[Correspondent] You expect that they will be pushed out from our border today?

[Niphon] I expect that. I have not read today's report sent to the office yet. I expect to have more reports when I arrive at the office after this.

[Correspondent] Is the incursion in Trat similar to what happened in Surin Province--that is, they kept pouring in reinforcements for the attacks?

[Niphon] It could be said to be similar.

[Correspondent] What about the SAM missiles?

[Niphon] We have no report about that so far, but I think the weapons must have been used. Anyway, we know how to defend ourselves from that; therefore, there should be no problem from SAM missiles. You mean the surface-to-air missiles, do you not?

[Correspondent] The Foreign Ministry said it will soon submit a protest over the issue. Have you worked this out with the Foreign Ministry?

[Niphon] We have cooperated with the ministry through the Supreme Command. There is a clear evidence that they remain inside our territory. They did not just cross the border in hot pursuit and go out.

[Correspondent] They seem to be holding on in the areas?

[Niphon] Yes. It seems that if we do not resist them, they would be advancing for control of more areas. They might plan to take our district or province. We have retaliated because this is a violation of our sovereignty. We must drive them out; otherwise we must fight them. [end recording]

CSO: 4207/205

THAILAND

BRIEFS

NAVY SMUGGLING NOT CONFIRMED--The prime minister's office has denied as inaccurate reports published by some newspaper on the morning of 9 May [date as heard] quoting Prime Minister General Prem Tinsulanon as having confirmed to reporters the news about Navy ships being used to smuggle contraband goods. The facts are as follows: When the prime minister was asked by reporters if the story was true, he said only: A fact-finding investigation must be carried out first. Asked what would be done if the investigation confirmed the allegation, he replied: If it is true, action must be taken according to the regulations. The public is hereby informed of the facts concerning the prime minister's interview. [Text] [Bangkok Domestic Service in Thai 0000 GMT 10 May 85]

BANGKOK BY-ELECTION--Admiral Sombun Chauphibun, candidate No 3 of the Democrat Party, won yesterday's Bangkok Constituency No 3 by-election to fill a vacancy in the House of Representatives. He received 94,279 votes from the total of 892 polling stations in nine districts. Out of 987,837 eligible voters, a total of 212,114 went to exercise their right to vote, a 21.47-percent voter turnout, while about 4 percent of the ballots were invalid. [Text] [Bangkok Domestic Service in Thai 0000 GMT 13 May 85]

ASEAN POLICY--Squadron Leader Prasong Sunsiri, secretary general of the National Security Council, said Thailand and ASEAN have adopted a correct policy on the settlement of the Cambodian problem. He said Vietnam now faced serious economic and military problems as the CGDK forces are strong. The secretary general gave a briefing about the regional situation to a group of 20 members of the U.S. Security Conference Association. Squadron Leader Prasong reviewed the general situation and security problems in Thailand, especially the problem of communist insurgency which has become less intense and no longer poses a threat to national security. On the external situation, the secretary general of the National Security Council told the group that Vietnamese aggression in Cambodia is a serious threat to security in the region. Thailand and ASEAN, backed by friendly countries, are trying to achieve a political settlement of the problem based on the UN resolution. Nothing has been achieved, however, because Vietnam insists on resorting to military means to settle the Cambodian problem. [Text] [Bangkok Voice of Free Asia in Thai 1030 GMT 8 May 85]

KING RECEIVES DEPARTING ENVOYS--On 7 May, the king granted separate audiences to outgoing New Zealand Ambassador Raymond Leslie Jermy, Netherlands Ambassador Petrus Henricus Joannes Maria Houen, and Australian Ambassador Gordon Alberj Jockel at Chitlada Palace on the occasion of the completion of their duties here. [Summary] [Bangkok Domestic Service in Thai 1300 GMT 7 May 85 BK]

INDOCHINESE REFUGEES FIGURES--A report from the Cambodian illegal immigrant control office says that 251,650 refugees--248,151 Cambodians and 3,499 Vietnamese--have fled into Thailand from the Thai-Cambodian border since 1982. According to the report, the total number of Indochinese refugees fleeing into Thailand is now 365,271, comprising 95,652 Lao, 259,964 Cambodians, and 9,655 Vietnamese. [Text] [Bangkok Voice of Free Asia in Thai 1030 GMT 6 May 85 BK]

CSO: 4207/205

MILITARY AFFAIRS AND PUBLIC SECURITY

ARTICLE IN VAN TIEN DUNG BOOK REVIEWED

Hanoi THONG TIN KHOA HOC XA HOI in Vietnamese Dec 84 pp 1-7, 15

[Summary by Quang Tu of an article by Van Tien Dung from the book "The Entire Nation Is a Dien Hong, Each Corner of the Frontier Is a Chi Lang," Hanoi, Su That Publishing House, 1984, 298 pp: "Fully Understand the Party's Military Line in the Period of Building Socialism and Defending the Homeland"]

[Text] This is the first of 14 articles in the book "The Entire Nation Is a Dien Hong, Each Corner of the Frontier Is a Chi Lang," by Sen Gen Van Tien Dung, a member of the Political Bureau of the Party Central Committee and Minister of National Defense, which was published to commemorate the 40th anniversary of the founding of the Vietnam People's Army.

Before entering into the principal contents, consisting of four parts, which we will introduce below, the author brings the readers' attention to a very important matter with regard to methodology to help us profoundly understand the Party's lines and firmly grasp the relationship between the political and military lines. The Party's military line is part of its revolutionary line and is organically related to its political, economic, domestic, and diplomatic lines. "Among the laws of war, the law of the dependency of war on the political objectives is the most general law"(7). In sum, with regard to the relationship between the political and military lines, "the military must obey the political" (p 7).

I. The National Defense Mission and Operational Objectives of Our Soldiers and People

After our homeland became completely independent and unified and the entire nation moved toward socialism, our Party's Fourth Congress affirmed that "national development must accompany national defense." That is a vital requirement of our people and is also a general law of the socialist revolution in the present era. When the Pol Pot-Ieng Sary gang, obeying the order of their master, launched a war of aggression on our southwestern border and the reactionary clique in the Chinese ruling circles openly allied with imperialism and sabotaged us by means of many schemes. Our Party immediately pointed out that "Chinese expansionism and hegemonism have become the direct and dangerous enemy of our country's revolution; the Chinese aggressor army and people" (pp 9 and 10), and that "Promptly determining the strategic

objective of our army and people led to victory in the following years" (p 10).

Although heavily defeated in Vietnam, Laos, and Cambodia, the Beijing reactionaries refused to remain passive but even more insanely and actively attacked our country by means of many insidious, brazen military, political, economic, cultural, and diplomatic schemes, in hopes of weakening us so much that we could no longer stand. When so ordered they could wage wars of aggression on different scales to annex our country.

The Chinese expansionists and reactionaries, our country's new enemy, have features which differ from those of the imperialist enemy. They are opposing Marxism-Leninism and socialism and are feverishly carrying out traditional expansionism and big-nation hegemonism. In order to eventually annex our country the Beijing expansionists and hegemonists are not only seeking sources of support among the exploiting classes and former members of the puppet army and administration who refuse to reform but are also seeking ways to collude with the bad, degenerate elements in the working masses and even among the cadres. In addition, they are plotting to use the reactionaries among the Chinese in our country as a "fifth column." Their special forte is endeavoring to take advantage of ethnic matters to sabotage the solidarity bloc of the Vietnamese people.

The Maoists in the past and those who succeeded Mao have carried out the traditional expansionism and big-nation hegemonism of the ancient Chinese feudal dynasties, but with a new, more sophisticated, modern, and dangerous label. Therefore, "to oppose Beijing expansionism and big-nation hegemonism today is to oppose the true essence of Maoism, not only with regard to politics and theory but also by means of weapons and by our combat" (p 14). That struggle is occurring and may continue to occur over a long period of time. From that situation we can clearly see that defending the homeland is an urgent mission at present and is at the same time a basic, permanent, and long-range mission. The problem that is posed for our people is to endeavor to strengthen our nation in all respects and under all circumstances. It is necessary to closely combine national construction with national defense, as affirmed by the Fourth Party Congress. "That has also been the line of existence and development of our nation since it was founded," "that is the historic destiny of our people, the correct path, and also the only path" ( p 15).

With regard to evaluating the new enemy, the author concentrates his analysis on the military strengths and weaknesses of Chinese expansionism and hegemonism, as manifested on the battlefield during the course of their aggression against our country. The author reaches the general conclusion that "Under the ruling yoke of the Beijing expansionists, China is large but not strong" (p 16).

China is a large country with a large population, a large army, and considerable economic and military potential. Furthermore, the enemy are next door to us, took advantage of friendly relations in the past, and have rather detailed knowledge of us. Therefore, they can rapidly organize aggressive attacks on our country on different scales, by naval, land, and air forces.

We must not underestimate the enemy's strengths, but must realize that they are temporary strengths, not basic ones. On the contrary, they have very basic political, economic, and military weaknesses. "The general weaknesses and the military weaknesses of the Beijing ruling clique are deeply rooted in the very basic weaknesses of Maoism, especially Maoism after Mao" (p 19). It may be said that with regard to personnel, organization, to politics and morale, weapons, material-technical bases, military art, etc., it will be a long time before they can build a modern aggressor army as modern as those of the imperialists. Although they are making very great efforts and have great aspirations, their ability is limited.

For our part, this is not the first time that our people have had to cope with those strengths of the enemy. In the past, in order to defeat the aggressive wars of the Chinese feudal dynasties our forefathers had to cope with them and had to have creative methods to overcome their strengths. Today we have the great the collective socialist mastership system on a national scale and in each locality and base, and have the combined strength of national defense and people's war to defend the homeland. We have powerful people's armed forces which we are endeavoring to build into a revolutionary army with an increasingly higher level of professionalism and modernity. We have the all-round cooperation of the Soviet Union and the other socialist countries and the strong militant alliance with Laos and Cambodia. As our party evaluated the situation, "never have we been as strong and solid as today" (p 27). Of course we cannot be subjective and satisfied with our existing strength but must make the greatest efforts to continually increase the strength of the nation, the people, and the armed forces in all respects."

## II. Build Strong National Defense By All the People, Create the Combined Strength of People's War To Defend the Homeland

As long as expansionism and hegemonism still rule in China, and as long as imperialism and the reactionary powers exist in the world we must pay full attention to increasing the nation's defensive strength. During the period of building and defending the homeland, consolidating national defense is a basic, permanent, and long-range mission of our people. If a war must be waged, it will only be waged for a certain period of time. Therefore, "when speaking of the Party's present people's war line it is incorrect to speak only of people's war; it is also necessary to speak of the line of national defense by all the people and people's war to defend the homeland" (p 29). In the nation's present situation, when the enemy are continually waiting for an opportunity and attack us not only on the high seas but also deep in our interior by waging a many-sided, increasingly escalated war of destruction, in addition to the foremost mission of building socialism, consolidating national defense is an extremely important mission of our entire population. In order to carry out that work well it is necessary to firmly grasp a number of viewpoints:

--First of all national defense strength is not merely military strength, but must be the combined strength of the socialist regime, with regard to politics, economics, culture, science and technology, etc., which is gradually built throughout the nation and in each locality. That is also combined strength of solidarity and all-round, long-range cooperation with the Soviet

Union and the other socialist countries, of the strategic militant alliance among the three Indochinese countries, and of the three revolutionary currents of the present era.

--The consolidation of national defense must be closely related to economic construction, and economics must be tied in with national defense. Building a nation that is strong economically does not necessarily result in building military strength. In addition to building economic strength it is necessary to build military strength. Under socialism, economics and national defense are essentially unified because they are aimed at the same objective: ensuring a peaceful, happy life for the people. However, economic development and the building of national defense have their own laws and requirements, which are sometimes not entirely in accord with one another. That is a contradiction which we must resolve by closely combining the economy with national defense and national defense with the economy, with planning and appropriate modes. The process of building an industrial-agricultural economic structure in our country is at the same time a process of building a strong national defense in accordance with the slogan of combining economics with national defense and combining production with combat readiness and combat.

--It is necessary to place the building of national defense in a unified strategy that encompasses both the economy and national defense in accordance with the law of socialist construction accompanied by the defense of the socialist homeland, in order to ensure that our country has both a modern industrial-agricultural economic structure and solid national defense forces and deployment. In our country in the present phase, the reorganization of production, redistributing social labor, and redistributing labor on a national scale tied in with economic planning, are matters of very great importance with regard to both economics and national defense. That strategic deployment must combine and bring into play the two national defense strengths: the on-the-spot forces and the previously prepared battlefield position of the entire nation and of each locality.

--It is necessary to concentrate on building national defense potential in each area and develop the entire population with regard to politics-morale, economically, militarily, scientifically, technically, and culturally. We must implement the slogan of the entire population fighting the enemy, fighting the enemy consciously and with organization, and stopping the enemy in their tracks. National defense must be tied in closely with security and social culture. In order to build national defense strength there must be people who are patriotic, love socialism, hate and dare to fight the enemy, are determined to defend the homeland, and are well supported with regard to living conditions, organization, equipment, and fighting methods.

Specifically, with regard to organization it is necessary to codify the missions of building and consolidating national defense and waging people's war to defend the homeland, and ensure that all citizens live, work, and defend the homeland in accordance with the constitution and laws. That is a new requirement for the leadership of the Party and the activities of our state organizations in the present phase.

In brief, our entire population participating in national defense and fighting the enemy is a line of our Party and a continuation and development of our forefathers during decades of national liberation war, under the new conditions of the enterprise of building and defending the socialist homeland. "That is a law and a path along which our people can continue to stand firm and develop, successfully build socialism, and ensure permanent happiness and peace for future generations" (p 41).

### III. Building People's Armed Forces Sufficiently Strong To Defend the Socialist Homeland

History has entrusted to our armed forces three very difficult, complicated, and varied missions: maintaining combat readiness and fighting to defend the homeland; fulfilling international obligations toward the fraternal Lao and Cambodian people; and engaging in production labor and participating appropriately in economic construction. In order to fulfill those three missions we must have an army with appropriate forces and high quality, which is complete, and is supported in all regards. We must also build and develop Vietnamese military science and art. The operational objective is clear and the missions have been determined. Now the problem that is posed is creating the military art to defeat a new enemy. "The combined strength of the armed forces includes the strength of military science and arm" (p 44).

The present direction for continuing to build the people's armed forces is:

--In building the people's armed forces it is necessary to rely on the combined strength of the entire nation and of the socialist regime. It is the development of our Party's viewpoint toward building the people's armed forces. That viewpoint is applied to the new conditions of the entire nation being independent and unified and advancing to socialism, with the assistance of the Soviet Union and the other fraternal socialist countries.

--The people's armed forces must be built in a balanced manner, with both regular forces and reserve forces, and both main-force units and reserve forces, and with a conventional, modern people's army made up of the necessary armed forces branches and combat arms and extensive mass armed forces, with attention to developing militia and self-defense forces. Together they form mobile forces and on-the-spot forces which are closely combined with one another and are deployed rationally in the strategic areas to ensure the achievement of solid mastership and strong attacks.

It is necessary to make good use of aid from the Soviet Union and the other socialist countries, including both modern weapons and equipment and advanced knowledge and experience.

In order to implement those guidelines three new requirements have been posed with regard to the army cadres and men and with regard to the state sectors and echelons.

--It is necessary to master modern technical equipment and use it creatively under the conditions of our country's battlefields.

--It is necessary to resolve problems regarding material-technical support, build an infrastructure (roads, airfields, ports, warehouses, etc.) to support the combat activities of modern armed forces branches and combat arms.

--The important matter is that there must be new people in both the army and the state sectors, people who have socialist consciousness, a high scientific-technical level, consciousness of organization and discipline, and an industrial work style.

In addition the state must study the promulgation of the necessary policies which are appropriate to the new requirements of building a new army.

As regards the responsibility of the sectors and localities toward the mission of building the armed forces, the author set forth four specific requirements. Their general spirit is that the sectors and localities are responsible for contributing directly to building the army because the people's armed forces are the sharp tool of the proletarian dictatorship, led by the party of the working class. Therefore, building the armed forces is the common responsibility of the entire party, the entire population, and the entire army. Of the four specific requirements, the first and also the most important is that the localities must especially pay attention to building local armed forces and reserve forces: "The local troops, the militia, and the self-defense forces are military organizations of the local and basic levels and are forces capable of doing a good job of fulfilling the requirements of combining the economy with national defense and combining production with combat readiness." "With strong local troops, powerful reserve forces, a wartime mobilization system, and the organization of a solid local people's war battlefield position it is possible to gradually reduce the standing forces but still increase capability to defend the nation" (p 49).

#### IV. Victoriously Wage People's War To Defend the War of Aggression of the Chinese Expansionists and Hegemonists

The actualities of two past wars to defend the homeland demonstrate that in places and at times there have been instances of wanting to mechanically apply some liberation war experiences which are no longer appropriate to war to defend the homeland, or of wanting to negate the experiences of 30 years of revolutionary war. On the basis of that situation, the author analyzes the similarities and differences between war to defend the homeland and liberation war in order to help the readers correctly understand the common laws and special characteristics so that they will not cut themselves off from history, negate the old, or be conservative or empirical.

--As regards war objectives, both liberation war and war to defend the homeland have the objectives of national independence, socialism, and national autonomy. The difference between the two kinds of war is that in war to defend the homeland we do not attack and arise to win mastership, and in liberation war, but fight enemy aggressors from the outside and relying principally on military attacks to maintain our autonomy. If we are strong from the beginning we can defeat the enemy in a short period of time and in a restricted space, prevent the enemy from penetrating deeply, and not have to spread them out all over the nation in order to defeat them.

--With regard to operational objectives, in war to defend the homeland we fight the Beijing reactionaries, expansionists, and hegemonists committing aggression against our country from the outside, and do not fight imperialist aggressors and their lackeys who imposed their ruling yoke on our country, as in liberation war in the past.

--With regard to the comparison of forces, in war to defend the homeland from the beginning we are superior to the enemy in many respects. Our nation is completely independent and unified and is advancing to socialism. It has a superior social system, has a complete state, a superior social system, and has armed forces with all types of troops which have been strongly developed. We must have strength from the beginning in order to fight the enemy committing aggression against us from the outside, and not advance gradually from small to large and from weak to strong. Laos and Cambodia, which are next to us, are completely independent and are also advancing to socialism, and there has been created a strong strategic militant alliance of the three Indochinese countries. We have the all-round cooperation of the Soviet Union and the world socialist system.

Our status and strength are clearly different in comparison to the past. Now we do not have to lose much time in gradually changing the comparison of forces between ourselves and the enemy. We do not have to fight a protracted war but are capable of winning victory in a short period of time if an enemy commits aggression against our country. In the event that we would have to fight for a long period of time we will not have to fight as long as we did the liberation war.

--The form of war differs from that of liberation war. In war to defend the homeland, from the beginning we are the masters of the nation, the battlefield, the localities, and the bases, and have conditions for preparing in advance both forces and the battlefield in order to defeat the enemy by using the greatest strength from the beginning in both modes: war waged by main-force units and local people's war, which are closely combined.

From the above it can be seen that military science and military art in war to defend the homeland are in some ways similar to and in other ways different from the past. Carrying on the military experience and tradition of our people in the distant past and during the past 30 years of warfare, in addition to studying the modern knowledge and advanced experience of the Soviet Union, is a basic matter in drafting and developing our Party's military line and military science and art in the new phase. Especially, at present, when we must oppose the aggression of the northern enemy, the traditional enemy of our people, the experiences of our forefathers has an even greater actual significance.

Dealing with some experiences of our forefathers in war to defend the nation, the author states that "a major lesson with regard to our national military art is that it was necessary to mobilize the strength of the entire population, combine the army of the dynasty with the armed masses and mobile forces with on-the-spot forces, and on that basis create great strength with which to defeat the enemy." "In general, in war to defend the nation, with regard to time we usually won victory in a relatively short period of time and

in terms of space made all-our efforts to restrict the space in which the war was fought. At times we defeated the enemy on the front lines, at the borders and coasts, and at times we defeated them deep in the interior, depending on the specific situation" (p 35). History shows that our forefathers always fully understood the offensive strategic thought in war to defend the homeland. The distinctive feature of that offensive strategy is an offensive strategy by a small country opposing aggression by a large country, not an offensive strategy of a large country or of a small country fighting another small country. "When we carried out an offensive strategy we won, but when we applied a defensive strategy we were defeated, as in the case of Ho Quy Ly" (p 57).

Dealing with strategy and military art in war to defend the homeland, the author brought forth three major contents:

--Combined strategy and combined strength. That is the common strategy of people's war in our country. However, combined strategy in war to defend the homeland has features which differ from combined strategy in liberation war. In war to defend the homeland we can create very great combined strength from the beginning in order to rapidly defeat the enemy. It is necessary to closely combine the military, political, and diplomatic aspects in order to defeat the enemy because those are the factors which create combined strength in combined strategy. In war to defend the homeland, the combined strength of an all-round war by all the people must be concentrated on the front line in the spirit of "the entire nation concentrating its strength on the front line to defeat the enemy. Especially, it is necessary to implement the Party's ethnic policy and endeavor to build up the mountain region, for the new enemy are making all-our efforts to exploit ethnic minority problems in order to separate and divide the solidarity bloc of ethnic groups in Vietnam.

--Utilizing space and time in war.

--Fully understand the strategic thought of achieving mastership and attacking and attacking and achieving mastership. According to the author, that content is "fully understanding and applying the common line of the socialist revolution in our country to military strategy in war to defend the homeland" (p 60). That is the most distinctive feature of our people's art of fighting the enemy. Secretary General Le Duan pointed out that "Because they have firmly grasped that strategy, the Vietnamese people have defeated all aggressors." (Speech at the Conference on Mass Mobilization in Units in the South, which was held in February 1979 in Ho Chi Minh City).

In the concluding part comrade Van Tien Dung points out that "Our Party's military line was born in the actual situation in Vietnam, for the independence and freedom of the homeland and for socialism in our country. Our Party's military line is deeply embued with Marxist-Leninist theory regarding war and the army, and carries on and develops our forefathers' tradition of fighting the enemy and the experiences of more than 30 years of opposing foreign aggression to win independence. Therefore, we must positively research and study to have increasingly deeper understanding in order to apply that line more flexibly in the actual situation and also to contribute to developing and concretizing the Party's military line" (p 66).

MILITARY AFFAIRS AND PUBLIC SECURITY

FOUR BANDITS INDUCED TO SURRENDER

Hanoi QUAN DOI NHAN DAN in Vietnamese 17 Feb 85 p 2

[Article by Tran Dinh Hua: "Inducing Four Bandits To Surrender"]

[Text] Y-ut Ni-e had to take one day off from laboring together with the people of Don village to go fetch medicine for his 3-year old daughter who had malaria. The road leading to where he could get the medicine lay across the Ea Minh brook, which was about 5 kilometers away from his village. Unfortunately for him, on that morning rain had been pouring for a long time and the mountain path was drenched and slippery. He was forging ahead when he had to stop, surprised by a call of "Brother!"

By the limestone furnace on the side of the mountain, Y-ut Ni-e saw three men huddled together. Looking up at the branch of a k'nia tree, he saw another man pointing a gun at him. Y-ut Ni-e was a bit shaken but he immediately regained his composure.

They must be FULRO, he thought. But why did one of them call to him in a pitiful voice whereas the one on the tree pointed the gun at him? Y-ut Ni-e wondered in silence, then suddenly he spoke as if giving an order: "If you want to surrender to the people and to the revolution, you had better drop your guns. Those who want to go back and live with their families and with their friends had better surrender. The people and the revolutionary authorities will be lenient and treat you kindly."

The one on the tree quickly threw his AK down to the ground. Y-ut Ni-e ran in timely fashion to pick up the gun. The one on the tree had quickly come down and joined the other three by the limestone furnace.

"Do you remember me, brother Y-ut Ni-e? I am Y Mong, who used to go with you to catch fish in the Ea Minh brook. Let us go home with you, back to the people. Do you think the revolution will throw us in jail and kill us? Please save us, brother Y-ut Ni-e."

Y Mong was standing in front of him. If he did not really know him, if he was not a man of the same village or of the same hamlet, Y-ut Ni-e would have great difficulties recognizing Y Mong. In another two months it would be a year since Y Mong, who was in the ninth grade at the Krong Ana

(Easup district, Darlac province) basic general education school, suddenly left home and quit his studies to run away and follow the FULRO gang. His parents, his brothers and sisters were unhappy with him. But now he was back. He was now dark and thin, haggard looking, and his long and messy hair made him look truly disheveled. Only his voice was unchanged. According to his story, he and his fellows led a very miserable life. Even the fellow with the "rank" of FULRO major who was standing next to him was also threadbare and skeletal. They had all been flushed out by our armed forces, crushed into smitereens, with some having died and others having been wounded, as for the remaining ones they had to run for their lives. Y Mong and the other three had awakened to the truth, they made their way back to the village not with the purpose of linking up with bad elements inside the village, they had come home to surrender to the revolutionary authorities. Even if they had wanted to link up with bad elements in the village, they would simply be doing that in vain for the people of Don village had by now been enlightened as to the revolution's bringing them a full and happy life. The people had made up their mind to purify and consolidate the village, not letting their young ones go into the woods to follow the FULRO. There was only Y Mong doing so but that was enough to make everyone unhappy and concerned. Y-ut Ni-e had once told the people and the elders in the village: "I will find Y Mong at all cost to induce him to surrender." Y-ut Ni-e's wish had now become reality.

"Y Mong, listen to me and surrender. The others, too. If you know how to repent, you should surrender. I can guarantee to you that the revolutionary authorities and the people will not throw you in jail or kill you. You can trust my word."

After listening to Y-ut Ni-e's quiet advice, the four FULRO types looked at him then at one another. Y Mong smiled happily: "You can follow me. We have to trust Y-ut Ni-e's word."

In that way the whole group followed Y-ut Ni-e back to Don village. After turning them over to the comrade chairman of the Krong Ana village people's committee, Y-ut Ni-e went back in the direction of Ea Minh brook to fetch medicine for his daughter.

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MILITARY AFFAIRS AND PUBLIC SECURITY

SECURITY IN KIEN GIANG, DONG THAP PROVINCES

Hanoi QUAN DOI NHAN DAN in Vietnamese 18 Feb 85 p 1

[Article: "Kien Giang and Dong Thap Consolidate the People's Security Network and Boost the Movement for the Fatherland's Security"]

[Text] Kien Giang province has paid attention to consolidating and raising the operating quality of the people's security network at the major points near the border and on the islands.

The public security forces of My Duc and Tan Khanh Hoa villages, Ha Tien district, near the Cambodian border, have persistently educated the people making them understand the sabotage plots of the reactionaries, and they have set up 50 people's security cells and organized professional inservice activities. The people's security cells have together with the border patrol forces carried out regular patrolling and watches to protect the border, to tightly manage the population and family registration as well as criminal elements, thus maintaining public order and security in the villages.

The town of Duong Dong (in the district of Phu Quoc Islane) has over 9500 inhabitants of various nationalities and over 400 illegal residents. The town's public security forces launched a mass movement for protecting the Fatherland's security. By now, the town has been able to establish 15 people's security cells. With the help of the people's security cells, the town's security forces have solved many criminal cases, they have arrested those engaged in arrangements for fleeing the country, those caught cheating to take over the properties of others. in the process confiscating 8 taels of gold, 12 bicycles, 650 kg of black pepper, 300 kg of export sea products, 400 packs of foreign made cigarettes, 29,000 dong in cash and all sorts of merchandize valued at over 100,000 dong.

The two wards of Vinh Thanh and Vinh Thanh Van (Rach Gia municipality) form the center of the municipality with a bus station that is always crowded. The public security forces of the two wards have set up many people's security cells which operate autonomously and smoothly. These cells have actively participated in the management and supervision of various target elements while organizing patrolling and watches at night together with the people's protection cells. Autonomous cells number 11,

19 and 21 of Bach Dang subward of Vinh Thanh Van ward and autonomous cell number 4 of Cach Mang subward are units which have done well in resolving internal conflicts, of educating the laggards, and of maintaining public order in the subwards and wards. The city of Rach Gia is actively developing its people's security network and its autonomous cells.

The armed forces the militia and self-defense units of Dong Thap province have been consolidated and expanded with attention given to training for and raising their fighting capability. The villages, wards, and production collectives have all organized study sessions for the people so as to raise their awareness and vigilance in fighting the multifaceted sabotage war of the enemy. They have also raised more than 1,000 people's security cases and to stop the criminals' activities, thus contributing to stabilizing public order and security at the grassroot level. The investigating security branch has been able to close a number of important cases, thanks to which the number of criminal cases and cases of drunkenness has dwindled significantly as compared to before. The security branch has also raised another 300 specialized and semi-specialized teams meant to help the various organs, enterprises, agricultural and industrial projects to protect socialist property.

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MILITARY AFFAIRS AND PUBLIC SECURITY

CHINESE, THAI INVOLVEMENT REVEALED AT PUBLIC SPY TRIAL

Hanoi DOC LAP in Vietnamese 6, 20 Feb 85

[Article by Hoang Le: "A Major Victory on the Security Front"]

[6 Feb 85, p 14]

[Text] Editorial Note: recently, from 14 to 18 December 1984 the Supreme People's Court in Ho Chi Minh City held, in public session, the first and final hearing in the trial of a major espionage case organized by the Chinese expansionists and the Thai Department of Army Intelligence with the aim of carrying out sabotage and armed activities to overthrow our system.

Beginning with this edition, we are publishing an article by Hoang Le, special correspondent for DOC LAP Newspaper at the trial, to bring to the attention of readers the major victory that our security forces won by crushing this dangerous espionage organization.

The Plot, the Insane Ambition of the Obstinate Reactionaries

In 1974 and 1975, before South Vietnam was liberated, Le Quoc Tuy, born in 1932 in Hong Ngu District, Dong Thap Province, and Mai Van Hanh, born in 1928 in Hanoi, both of whom were officers in the air force of the former puppet government, had been living in exile in France and were agents of Tran Van Huu (former prime minister of the lackey puppet government under French domination), returned to Saigon and, in the name of Tran Van Huu, began conducting activities in a vain attempt to build political support and use the opportunity arising from the military and political defeats being suffered by Nguyen Van Thieu to launch a campaign to replace Thieu with Tran Van Huu.

However, the lightning-like attack by our army that completely liberated South Vietnam prevented them from carrying out their plot.

Although defeated in this attempt, Le Quoc Tuy and Mai Van Hanh, with the intent of resisting the revolution, remained in Saigon until July 1975 to make contact and meet with reactionaries whose hatred of the revolution ran very deep: Luong Trong Tuong (head of the Hoa Hao Buddhists' Central Council), Le Chon Tinh (major, Hoa Hao provincial security group commander and chairman of the Chau Doc Provincial Council), Huynh Vinh Sanh (captain, special customs),

Le Quoc Quan (puppet officer and younger brother of Tuy) and Ho Tan Khoa (of the Cao Dai Religion). The purpose of their meetings was to reach agreement on a plan to have those persons remaining behind in Vietnam build forces, forces ready to take action, while waiting for Le Quoc Tuy and Mai Van Hanh to travel overseas to make contacts, to find a sponsor, find someone who would supply them with weapons, money and so forth in order to establish a link between the persons here at home and those overseas through which to organize efforts to overthrow the revolution in Vietnam.

Upon their return to France, Le Quoc Tuy and Mai Van Hanh, having received commitments from the reactionaries Luong Trong Tuong, Le Chon Tinh, Huynh Vinh Sanh, Le Quoc Quan and Ho Tan Khoa, held a press conference on 17 February 1976 at the Meridien Hotel in Paris before some 300 journalists and Vietnamese traitors in exile, among whom was Tran Van Ba, former chairman of the Saigon puppets' "Student Federation." They publicly announced the formation of the so called "united front of patriotic forces to liberate South Vietnam" (which they later changed to "liberate Vietnam"), which took the tri-striped flag of the former puppet government as the "front" flag and used as its overseas address 48 Rue Fernand Fenzy 92160 Antony, France.

Actually, at that time, their strength did not amount to much in real terms, consisting as it did of only a few counter-revolutionaries who had fled the country following the liberation of the South, entered into a conspiracy to set up a reactionary organization and held a press conference for propaganda purposes to win the support of Vietnamese traitors at home and abroad and, at the same time, aid them in their search for a sponsor to provide them with support.

In his confession, Mai Van Hanh wrote:

"No one ever saw the membership list of the front or the signatures of its members because it was Le Quy Tuy's intention to conceal their names from the public so that anyone's name could be associated with the front at some point in the future and responsibility could be shared among Le Quoc Tuy, front chairman in Paris, Lai Huu Tai, secretary representing the front in the United States, and myself, who had no specific function. Shortly thereafter, this group broke up over money problems and we had no further communications with the others."

Tran Van Ba stated that he travelled to the United States on two different occasions to seek U.S. support and get in touch with emigree puppet officers. However, he was disappointed by the Americans' "wait and see" attitude and their unwillingness to make any specific commitments. All the emigree officers whom he contacted had no spirit left in them. Not one offered him enthusiastic support.

As a result, Le Quy Tuy, Mai Van Hanh and Tran Van Ba went elsewhere in search of sponsors.

## The New Bosses of the Reactionary Spies

The total victory of our armed forces and people in the cause of liberating the South and reunifying the country ruined the filthy deal that had been struck between the Beijing reactionaries and the U.S. imperialists during President Nixon's visit to China in early 1972.

Beginning in 1976, acting under a plan to pin us down, weaken us and force us to yield to them, the Beijing reactionaries sent the army of the Pol Pot genocidal regime into continuous attacks against many areas along our country's Southwestern border while employing a wide variety of tactics to exert pressure upon our country. Just as "birds of a feather flock together," as soon as this group, all of whom were reactionary Vietnamese traitors, were lackeys of foreign countries, saw that China had made plain its betrayal of Vietnam, they quickly linked up with China in order to acquire a base of material and moral support in a vain attempt to oppose the fatherland. The Chinese expansionists and hegemonists immediately began using this group of reactionaries as an instrument through which to achieve their own evil designs against Vietnam.

In 1977, according to their confessions, Le Quy Tuy and Mai Van Hanh made their first contacts with China through the Chinese Embassy in Paris. They subsequently shifted their contact point to the Chinese Embassy in Bangkok, which provided them with secrecy and a better starting point from which to infiltrate our country.

By becoming the exclusive supplier of material and arms to Le Quy Tuy, Mai Vanh Hanh and their accomplices, China gained increasingly tight control over the group and used them to achieve its evil and malicious aim of organizing acts of sabotage and subversion against our system.

Mai Van Hanh stated to the court: he and Le Quy Tuy had travelled to China many times. He himself travelled on four different occasions to Beijing and once to Hainan Island between 1980 and 1984. Le Quy Tuy had travelled to Beijing seven times. On the several trips they made to China during the first year, they were given quarters in a villa very far from Beijing. In subsequent years, they were housed in a villa within Beijing itself. While Le Quy Tuy and Mai Van Hanh were in China, Han Nianlong, former vice minister of foreign affairs and now an advisor to China's Ministry of Foreign Affairs, and many other officials from China's Ministry of Foreign Affairs and Ministry of National Defense met with them personally.

Mai Van Hanh stated: the substance of the meetings between Le Quoc Tuy and himself and Han Nianlong and other Chinese officials centered around discussing plans to sabotage and subvert the present regime of the Socialist Republic of Vietnam, which they called the "Hanoi ruling clique"; discussing plans to recruit spies and set up spy training bases in Thailand and a plan to move spies, weapons and other equipment into Vietnam from Thailand; and discussing technical coordination between ships of the Chinese navy and the transport ships of Le Quoc Tuy and Mai Van Hanh on entering the waters of China to pick up counterfeit Vietnamese money supplied to them by China on Hainan Island and the Paracel Islands.

All funds for training, troop messing, the purchase of spy equipment and all other expenses were supplied by China (in U.S. dollars or Thai baht) through the Chinese Embassy in Bangkok.

In addition to inserting spies and sending weapons into Vietnam to conduct acts of sabotage, the Chinese expansionists, in an especially serious action taken in defiance of international law, brazenly produced counterfeit Vietnam bank currency and turned it over directly to Le Quoc Tuy and Mai Van Hanh to be taken into Vietnam by covert means to undermine Vietnam's economy. Specifically, during one trip made in May, 1982, China dispatched two naval escort vessels from the Paracel Islands to lead two ships commanded by Mai Van Hanh and Tran Van Ba to Hainan Island to receive 10 dong notes. During a second trip made in June, 1983, two ships under the command of Tran Van Ba arrived in the Paracel Islands. Fifty dong notes were transferred from Chinese naval vessels to the ships of Tran Van Ba. The two types of notes delivered to them amounted to more than 300 million dong.

Mai Van Hanh stated: in 1983, he and Le Quoc Tuy travelled to Beijing to meet with Han Nianlong to discuss many important issues. Han reported to Han Nianlong that their accomplices inside Vietnam wanted to rise in rebellion. Han Nianlong promised: China will help to topple the "Hanoi ruling clique."

In August, 1984, Le Quoc Tuy and Mai Van Hanh again travelled to Beijing and met with Han Nianlong to request counterfeit money, weapons and dollars. Han Nianlong agreed to immediately give them 50,000 dollars to be picked up at the Chinese Embassy in Bangkok, weapons of various types and counterfeit money.

Mai Van Hanh also stated: in addition to himself and Le Quoc Tuy, many other persons travelled to China, such as Lieu, alias Ha, on three different occasions, Tran Van Ba by sea on two different occasions and a group of electronics engineers, who accompanied Le Quoc Tuy on two different occasions.

In direct charge and constant touch with the Le Quoc Tuy organization was the Chinese Embassy in Bangkok. The persons representing China there were the Yang household at telephone number 2-795-056.

Hanh stated that, according to his knowledge, the Chinese Embassy supplied more than one-half million U.S. dollars for the activities of the Tuy-Hanh group in Bangkok.

Coordinating with China, the Thai reactionaries played a very important role along with Le Quoc Tuy, Mai Van Hanh and their accomplices in carrying out the above mentioned plan of China on Thai soil. Chavalit, a major general and the person in charge of Thai Army intelligence, personally assisted the Le Quoc Tuy and Mai Van Hanh group in each of their activities on Thai soil.

The Thai Department of Army Intelligence appointed a number of officers, who ranged in rank from colonel to non-commissioned officers, to set up an organizational network to help provide protection for the activities of the Tuy group.

In Bangkok, the Le Quoc Tuy group established a steering agency which they called "general headquarters" and, within it, installed a radio that provided them with a long distance communications capability. It was from there that they maintained direct contact with Thai intelligence and with the Chinese Embassy. It was from there that they commanded their activities on Thai soil and maintained command liaison with spies who had infiltrated Vietnam. At that agency, in addition to Vietnamese who belonged to the Tuy group, there were always two Thai non-commissioned officers in residence to provide security and observe this group's activities. This agency is currently located at 130/1 Soi Oraphin, Ranavi Road.

Thailand had guides lead the Le Quoc Tuy organization to the Lumpini, Sikhiu, Bangkhen, Transit and Woq "refugee" Camps and the Songkla Camp to recruit Vietnamese who had betrayed the fatherland and fled the country to take back to their base for training and organize their infiltration into Vietnam.

With the permission and assistance of the Thai authorities, the Tuy group set up a training base called the "Victory Through Our Own Efforts Secret Base" in the vicinity of the Soc Sann base (of the Son Sann Khmer reactionaries) within the area managed by border defense post 506 in Trat Province (which is part of Thailand's 80th Border Defense Force that is in charge of the Thai-Cambodia border). The Thai Department of Army Intelligence used border defense post 506 to provide security for and resupply this base. There, they held many training classes in military intelligence and communications for nearly 200 persons. Thai intelligence sent specialists to train them in the use of radios and military technology. The Thai government allocated grain and food from the humanitarian aid provided by the United Nations for refugees to support the spies being trained at this base.

Thai intelligence permitted Tuy to use the port of Rayon and, subsequently, Surathani on the coast of the Gulf of Thailand, as hiding places for two ships and as the starting points for trips to infiltrate Vietnam. On each trip they made to infiltrate Vietnam, Thai Army intelligence provided an escort from the port into international waters bordering the territorial waters of Vietnam.

Mai Van Hanh stated to the court: "The Thai Department of Army Intelligence watched what we were doing. Two Thai officers were constantly present at our general headquarters. Whenever we travelled from there to our base or to the refugee camps, we were led by Thai officers. The weapons and ammunition supplied by China were stored in warehouses of the Thai Army and transported from there on Thai Army trucks to our ships docked in the port of Rayon and Surathani for shipment to Vietnam."

In addition to having close ties with the Chinese expansionists and the Thai reactionaries, the Le Quoc Tuy group also had secret ties with the U.S. imperialists. Tran Van Ba told the court that he had been sent by Le Quoc Tuy to contact five Americans in Bangkok, including Donald B. Coleman, the second secretary at the U.S. Embassy in Thailand, to keep the United States abreast of their situation. The United States continued to keep close watch on the activities of the Le Quoc Tuy and Mai Van Hanh group. The United States also maintained close and regular contact with the Tuy-Hanh group through Son Sann and his son, Soubert.

[20 Feb 85, p 15]

[Text] Their Criminal Conspiracies and Plans

From 1980 onward, under China's guidance, with China's complete backing in the form of money, weapons and medicine and in collaboration with Thai Army intelligence, the Le Quoc Tuy group recruited and trained more than 100 spies to be sent into our country. According to the statements made by those who were captured and those who surrendered, between 8 January 1981 and September, 1984, they organized 10 trips to infiltrate Vietnam, one by land and nine by sea.

The first infiltration excursion, an excursion by land, from Thailand through Cambodian territory, began on 8 January 1981. China directed the Pol Pot Khmer Rouge to secretly guide them through Cambodia to An Giang. Tuy and Hanh travelled to the border between Trat Province in Thailand and Koh Kong Province in Cambodia to encourage their agents and bid them farewell.

In addition, they organized nine infiltration excursions by sea, from Thailand through the Gulf of Thailand to the coast of Vietnam, involving hundreds of spies equipped with large amounts of weapons, ammunition, explosives, signal equipment, radios... They were escorted by Thai Army intelligence to the territorial waters of Vietnam on each occasion.

Under the guidance of Le Quoc Tuy and Mai Van Hanh, these infiltrating forces were deployed to form the skeletal forces of the following units:

--One unit called the "Special Section" in Minh Hai Province to take delivery of and conceal weapons and counterfeit money and arrange for land, river and coastal transportation to distribute weapons at places inland. One person was to be appointed commanding colonel of this section.

--Military Region A, consisting of the Mekong Delta Provinces. One person was to be appointed commanding colonel.

--Military Region B, consisting of a number of provinces in eastern Nam Bo. One person was to be appointed commanding colonel.

--The Saigon-Cho Lon Military Region, also commanded by someone appointed colonel.

--And inter-provincial region with one person appointed commanding lieutenant colonel.

--The 124th Battalion, with Le Thanh Hong (HK 124) appointed as commanding lieutenant colonel, which would attack re-education camps and take from them supplemental forces with which to eventually form a brigade.

--Six independent companies.

--A sabotage and assassination squad and work groups within the Saigon-Cho Lon Military Region.

All of these units were assigned the mission of organizing intelligence networks to gather information through roadside stands and agencies, through the use of attractive women to extract information, etc.

In addition, with the more than 300 million dong in counterfeit Vietnamese currency that was printed and supplied by China, which Hanh and Ba travelled to China to pick up and then secretly transported into Vietnam, they funded the operations of the groups that had infiltrated our country but also spent a large amount to buy gold, undermine the value of Vietnam's currency, disrupt prices on the market, bribe cadres and build their economic base and liaison network.

Through the forces that had infiltrated our country, Le Quoc Tuy and Mai Van Hanh made contact with the counter-revolutionaries from whom they had received commitments in 1975, such as Huynh Vinh Sanh, a special customs captain in Saigon prior to liberation and a dangerous spy who had organized a number of clandestine forces consisting of former puppet intelligence agents and officers: Le Quoc Quan, the younger brother of Le Quoc Tuy, who remained in Saigon after 1975 but refused re-education, continued to oppose the revolution and was in communication with a number of former puppet soldiers within the organization of Le Quoc Tuy in Ho Chi Minh City; Ho Thai Bach, the son of Ho Tan Khoa who headed a force of reactionaries among the followers of the Cao Dai Religion and so forth, which joined together as the core organizations, as the base for the activities of the Tuy-Hanh organization.

After linking up with domestic reactionary groups, sending spies into Vietnam from Thailand and receiving guidance and large amounts of weapons and money from China, Le Quoc Tuy and Mai Van Hanh established a leadership apparatus called the "Council of Chairmen" consisting of:

--Le Quoc Tuy, chairman of the Council of Chairmen, code name: C4;

--Mai Van Hanh, chairman and founding member of the front, code name: C5;

--Huynh Vinh Sanh, chairman in charge of mobilizing intellectuals in Saigon, code name: B4;

--Ho Thai Bach, who replaced Ho Tan Khoa as the person in charge of the reactionary groups within the Cao Dai Religion...

They established the following guidelines for the development of their forces in 1984 and 1985:

Overseas: Tuy and Hanh would travel to China to continue to seek aid with which to recruit and train additional emigrees and send them back into Vietnam to conduct activities and build a high capacity fleet for use in transportation and infiltration. They would study the possibility of expanding the scope of infiltration to Dong Nai and Phu Khanh and prepare the material base and provide the training needed to establish a radio station for their organization.

The transportation unit (that is, the special section) had to quickly transport weapons and counterfeit Vietnamese currency to the various destinations so that their accomplices within Vietnam were prepared to carry out the plan for widespread acts of sabotage in 1985 in a vain attempt to inflict material losses on the revolution and make "noises" that would incite other counter-revolutionaries within Vietnam and please the Chinese expansionists and hegemonists so that they could receive much more material aid from them. Specifically, their plan was as follows:

1. To attack targets in Ho Chin Minh City, mainly with explosives:

--The consulates located in Ho Chi Minh City, especially the Consulate General of the Soviet Union and the Consulate General of France, in order to shock world opinion. On many different occasions, Le Quoc Tuy assigned many of their forces the mission of assassinating or kidnapping, by any means possible, officials within the Consulate General of France and French specialists in Vietnam in order to create political hostilities between the governments of France and Vietnam.

--The International Hotel and the Rex Theater, places frequented by international guests.

--The Municipal Theater.

--The Nha Be Gasoline Storage Facility;

--The Cho Quan Acetylene Plant;

--Tan Son Nhat Airport...

2. To sabotage the transportation system, such as the Saigon Bridge, the Ben Luc Bridge and the My Thuan-Can Tho Ferry, and sink Soviet ships in the Long Tau River in order to obstruct river traffic.

3. To commit economic sabotage by using counterfeit money to disrupt the market and buy gold to hoard and also for the purpose of disrupting market prices.

4. To attack re-education camps and free a number of criminals with the aim of augmenting their forces.

5. To attack the revolution internally by using money and women to bribe and corrupt cadres.

6. To occupy a number of important areas as bases from which to eventually expand the areas occupied by them and, in the style of Mao, encircle the cities from the countryside, bring the cities to the point where they would undermine and bring down the system.

Their plans were based on the grand illusion of launching simultaneous and widespread operations to shock political opinion at home and abroad in early 1985. On this basis, they hoped to create for themselves a new position and

new forces within Vietnam and draw other reactionary groups into allied activities under their command in a vain attempt to bring about a significant change in the position and forces of the reactionaries, occupy and hold a number of areas and attempt to expand those areas through armed activities. In addition, they also planned to coordinate their activities with the Cambodian and Lao reactionaries under China's guidance and even considered the possibility of having China support their plans for domestic sabotage and insurrection by intensifying its war of aggression along Vietnam's northern border. Had these efforts succeeded, a radio station set up outside the country would officially announce their counter-revolution "Platform" and "Appeal" for international support, which would essentially lay the legal groundwork for direct military intervention by the Chinese expansionists and hegemonists.

#### The Traitors and Spies Given Harsh Punishment Under the Law

After 5 days of public trial, confronted with concrete evidence provided by the public security agency and the Supreme People's Organ of Control and with eyewitness testimony by their very own accomplices, including Bui Van Nam Son, one of the leaders of the spies at the secret base whose life was saved by the revolution, all 21 of the criminals confessed to the crime of spying for the Chinese expansionists and plotting to subvert the state of the Socialist Republic of Vietnam.

When permitted by the court to make a final statement, Mai Van Hanh said: "Since my arrest, I have given deep thought to my joining the organization of Le Quoc Tuy, serving as a lackey of the Beijing expansionists and hegemonists and the Thai Department of Army Intelligence and committing mistakes and crimes that have harmed the revolution and people of Vietnam. I accept responsibility before the court for each of my crimes and express sincere remorse for what I have done. Today, as I stand before the Council and because I am still young, I have but one hope, that the Council show me mercy."

Huynh Vinh Sanh said: "I am 64 years old, my wife is insane. My child sits and stares. I, myself, am also receiving medical care from the public security sector. I previously did not have a clear understanding of the line and policies of the state and served as a lackey of lackeys of the imperialists. I hope that the honorable court will pass judgement on the scope of my crime so that my family still has someone upon whom they can depend."

Some of them, such as Nguyen Van Can, made the following moving statement to the court: "My crime was unforgivable, I only ask that I be given the death penalty." Tran Quang Phuong said: "I do not know what else to say than I realize that my crime is deserving of death and ask to be given the death penalty."

At the final court session held on 18 December 1984, in the name of the Supreme People's Court of the Socialist Republic of Vietnam, the presiding judge, Assistant Chief Justice of the Supreme People's Court Huynh Viet Thang, handed down the following sentences: Mai Van Hanh, Tran Van Ba, Le Quoc Quan,

Huynh Vinh Sanh and Ho Thai Bach were sentenced to death and Tran Nguyen Hung, To Van Hien and Hoang Dinh My were sentenced to life imprisonment for the crimes of treason and espionage. The five defendants sentenced to death have the right to petition the chairman of the Council of State within 7 full days from the date of their sentencing for a pardon from the death penalty. After examining their circumstances and the extent of their crimes, the court sentenced the 13 other defendants to prison terms ranging from 8 to 20 years.

The five witnesses Bui Van Nam Son, Tran Ngoc Minh, Son Hang, Le Hong Du and Huynh Phuc Nam who, although accomplices of those who committed treason and espionage, repented their crimes, testified in a sincere manner and atoned for their crimes were exonerated by the Supreme People's Organ of Control.

As regards the other persons accused in this case, the court suggested continued investigation and prosecution by the public security agency and the Organ of Control.

#### The Conclusions Drawn from the Spy Case

Through this important spy case, we can see just how reactionary and exceedingly cunning the Chinese expansionists and hegemonists are. It was back in 1977 that they seized control of the Tuy-Hanh group for the purpose of using this group as a tool by which to unleash subversive activities against our system. During the past several years, they have spared neither money nor effort and even defied public opinion and international law to supply large amounts of weapons, ammunition, explosives and signal equipment along with more than 300 million dong in counterfeit Vietnamese currency and millions of U.S. dollars to support the operations of the Tuy-Hanh group. They appointed many important officials, including Han Niem Long, a one time specialist in relations with Vietnam, to guide the strategy and activities of the Tuy-Hanh group. The Chinese reactionaries' brazen intervention proves that their reactionary nature has not changed. They continue to be hostile toward our people and are waging a wide-ranging war of sabotage against us in a vain attempt to conquer and annex our country.

In close collaboration with the Chinese reactionaries, the reactionary authorities in Thailand not only allowed the Tuy-Hanh group to use Thai soil to establish a headquarters, set up a training base and recruit persons at the "refugee" camps, but also had their army intelligence actively support the infiltration activities of Tuy-Hanh group.

Holding the trial of this spy case in public before more than 40 international journalists has had the effect of exposing the reactionary and insidious nature of the Beijing expansionists and the Thai reactionaries to the people of the world.

The defeat and elimination of this dangerous espionage organization represent a major victory for our security forces and revolutionary masses following a full 3 years during which numerous measures, both overt and covert, were employed, a determined, intelligent and courageous struggle was waged and large nets were cast to catch them all.

This victory proves the strength and stability of our state, of our system. We possess all the intelligence, skills and strength needed to crush any reactionary organization of any foreign imperialist or reactionary power that dares conduct acts of sabotage within our country.

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CSO: 4209/358

MILITARY AFFAIRS AND PUBLIC SECURITY

EDITORIAL ON SELF-DEFENSE MILITIA'S SECURITY FUNCTION

Hanoi QUAN DOI NHAN DAN in Vietnamese 25 Feb 85 pp 1, 4

[Editorial: "To Maintain Political Security--An Important Mission of the Self-Defense Militia"]

[Text] Firm political security coupled with a mighty national defense is a guarantee of success for building socialism for our people. In the past few years, despite the collusion of the reactionaries among the power holders in Peking with the U.S. imperialists and other reactionary powers who have done their best to sabotage us, the political security and the social order in our country have still been maintained, and building socialism for our people has not ceased to develop. Nonetheless, the vicious and treacherous enemy, not yet resigned to defeat, keeps on boosting the multifaceted war of sabotage against our country, in which the sabotage of our political security and social order figures among their prime objectives. The maintenance of political security is the responsibility of the whole people and of the people's armed forces and public security forces. The self-defense forces and militia is a mighty force in terms of numbers, it is omnipresent in the various organs, enterprises, and schools, and is the most important force for the maintenance of public security and order at the local level and at the grassroot level.

Experience in the various localities in the last few years has shown that where ever there exist public security and order there exists also close coordination of activities between the armed forces and paramilitary forces in these localities. In these localities, the self-defense militia plays a central role in the people's security cells and in the autonomous cells. The various localities in the border regions of Ha Tuyen, Kien Giang, and Quang Ninh provinces have concentrated on building and consolidating many people's security cells, with the minstay force being the self-defense forces and militia. They have coordinated with the border troops to patrol and watch the border, tightly manage the individual and household registration and criminal elements, thus firmly maintaining public security and order. In many localities, however, the self-defense forces and militia has not properly developed its central role in the protection of public security and coordinated its action with other people's armed forces. In some cases there is lack of coordination, in others there are only formal links or coordination on paper but no attempt to organize training in

accordance with such coordination scheme. Because of this whenever an emergency develops in regard to the protection of public security the self-defense forces and militia reacts slowly or in confused manner, relying essentially on the border troops, on the local troops and on the people's public security forces.

The enemy seeks to sabotage us in many ways. To defeat them, the self-defense forces and militia must have plans to counter their actions in multiple ways, it must closely coordinate its actions with those of the people's public security forces, of the border defense units, with the local army units, and with the regular army units stationed in the area. As the local armed force, the self-defense forces and militia must actively attack the enemy by properly investigating, discovering and preventing sabotage actions in a timely fashion to counter actions causing a loss of public order and security. In populous areas, economic, political and cultural centers or industrial centers, the enemy focuses his sabotage through many a vicious trick. In such places the self-defense forces and militia must have a stronger and more tightly knit organization and forces, and it should also be better trained. In important areas of operation the cooperation between the self-defense forces and various other forces must be close and coordinated, including the coordination of activities among the self-defense forces of various plants, enterprises, wards and villages so that they form a linked chain in the maintenance of public security and order. To crush all the schemes of the enemy, and to prevent and eliminate all social ills and all malefactors constitute the permanent tasks in the protection of public security and maintenance of public order. This work must be done well right at the locality level and at the grassroot level. To do this, the self-defense forces and militia must be organized really well, they must be politically well indoctrinated, they must be trained well both in military and professional matters, and they must have concrete plans of action.

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MILITARY AFFAIRS AND PUBLIC SECURITY

IMPORTANCE OF PREPARATIONS IN TRAINING PROGRAMS

Hanoi QUAN DOI NHAN DAN in Vietnamese 4 Mar 85 pp 1, 4

[Editorial: "Good Preparations for a New Year of Training"]

[Text] At this time, all units in the army are actively preparing for a new year of training. Military training has a very important role in the task of raising the people's armed forces' combat worthiness. However, to achieve high quality results, training preparation must be given the highest attention.

During the last year's training, many units gave their best, overcame difficulties and succeeded in raising the quality of their training. However, there are still units where the quality of training in some aspects is still deficient. One reason leading to this situation is the fact that training preparations were not sufficiently thorough or uniform. For example, the quality of training for cadres was weak, there were not enough training grounds, there was a shortage of training materials, plans were rudimentary and did not portray real tactical situations. These weaknesses must be speedily remedied.

To prepare for the training of all echelons, all units, we must thoroughly understand the General Staff's training order and the higher echelons' training directive. Reality dictates that, in order for the different units to proceed successfully with their training while meeting their combat readiness and combat missions and their other tasks, in the 1985 training year, the training programs and the length of training be different in different units stationed in different areas and even within the same large units. This characteristic must direct the whole of the preparations. If the preparations are performed carelessly, mechanically, in an identical manner everywhere, the desired quality will not be achieved. Individual units must carefully examine the content of their training program. They must design plans that are close to the realities of the units' needs and concordant with each situation. They must thoroughly prepare for all aspects and for each element of training. In order to achieve a high quality of training in a short time, the preparations must be all the more careful and meticulous.

Victory in battle is the yardstick of the quality of training. To attain a strong training base, we need training programs that closely approximate battle reality in every factor, for all types of battlefields. This need has to be thoroughly understood and fulfilled within the preparation process, from lesson

plans, choice of locations, fashioning of training grounds, to structuring situations and teaching methods as well as plans for night training, all weather training.

The training of cadres is an important element in the preparation process. This is also an essential aspect of on-the-job training, designed to help raise the quality of the cadre contingent in order to fulfill the training requirement for combat readiness and combat worthiness in every unit. Based on mission requirements and the effectiveness level of the cadres in each unit, the goal and the substance of the training program and the organization of the lessons is determined for each specific subject so that a high quality can be attained. This year's training requirements call for raising the level of training organization at all levels, especially for detachment cadres. Since they are responsible for teaching the enlisted soldiers the most basic concepts and are responsible for the direct management of the unit, the detachment cadres need to be thoroughly trained in all necessary subjects. In training classes for detachment cadres, all subjects must be thoroughly prepared and must be as close to the unit's mission as possible so that the training can be realistic. In training, in addition to theoretical lessons, a great deal of time must be reserved for practice and guidance in the steps for organizing training. The use of model units is an essential and effective method to create conviction for the student to manage and organize training.

To prepare for a training program is a monumental task, comprising many factors and involving many organizations. Guaranteeing uniformity in the preparations is not an easy task. To do this, the commander must personally organize the conduct of every aspect. The commander must exploit the effectiveness of all organizations and particularly the training staff must constantly control, diligently find and rectify in time all weaknesses in the preparation process, guide and help the lower echelons resolve difficulties and be determined to fulfill all set requirements: this is the only way to successfully accomplish the task of preparing for the new year's training program.

12654

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MILITARY AFFAIRS AND PUBLIC SECURITY

REPORT ON EFFECTIVENESS OF PUBLIC SECURITY FORCES

Hanoi QUAN DOI NHAN DAN in Vietnamese 4 Mar 85 pp 1, 4

[Article from VNA: "Public Security Forces Achieve Numerous Feats in Their Mission To Uphold Law and Order "]

[Text] One hundred percent of the cadres and soldiers of the public security forces in Thai Binh Province have signed a pledge to compete for excellence in training and to obey Uncle Ho's six precepts, to excel in their jobs, to contribute to the task of upholding law and order.

The security forces have suggested many dynamic measures to the Party Committee echelons and the authorities to motivate the populace to successfully implement the resolution of the Political Bureau and the Council of Ministers on the mission to maintain order and security and to help the local echelons build secure organizations, enterprises, wards and villages. Along the shoreline, the security forces, the armed forces and the people have built and consolidated the lines of defenses, completing and practicing many plans to counter invasions, and have foiled three attempts to flee abroad. They have also investigated six cases of spreading invidious rumor and dissemination of reactionary leaflets. In many localities, the security forces have helped organizations, enterprises, stations and farms control and reorganize the cadres and employees who work with money and merchandise, helped to bring the trustworthy ones into the security committees. The security forces, along with a number of departments in the internal affairs sector, investigated and solved over 220 cases of crimes against socialist and private property, 67 percent of the total number of cases. Tien Hai and Kien Xuong districts and the city of Thai Binh, and places where social order is a problem the number of crimes have decreased by 60 percent, compared with 1983. The number of villages, wards, organizations and enterprises with movements to protect national security has increased by over six per cent; 65 village security committees, committees for the protection of organizations, enterprises, have been recognized for their determination. In all public security sectors, almost 600 units, cadres and soldiers have been commended by authorities from all echelons, sectors and by the province security forces commander. Four weak units have achieved progressive status; 69 distinguished members have been inducted into the Party.

The security forces in Hoang Lien Son Province have simultaneously carried out professional measures and developed the sovereign rights of the people in the area of national security, achieving many results in their defense mission.

The province's security forces, in combination with the army, devised battle plans and, together with other sectors, consolidated 23 border defense villages, tried many cases of infraction against security and order, dealt with the undesirable elements, etc. Along with all concerned parties, especially the army and the local youths, the security forces ferreted out criminals, disbanded many gangs of robbers and smugglers, consolidated the security committees and helped organizations formulate security plans, restored order, transferred the criminal elements out of the economic domain, purified internal affairs and the area. In 1984, the security sector solved 127 major cases, arrested and tried 136 criminals, recaptured the government's and the people's properties. The security sector also stepped up their control over individuals and families, found and retrieved many illegally stockpiled weapons.

The movement to build a clean and strong security force was developed in all sectors in Thuan Hai Province. All units and all individuals participated in specific emulation movements to set struggle goals for each month and each quarter. The province has speedily and widely implemented the Political Bureau's resolution on fighting the many faceted sabotage war in all wards and villages, it has devised numerous plans to fight the enemy, in all zones, all areas. Along the shore and on the islands, the province has formed hundreds of effective people's security cells. The security sector and the local armed forces have created security forces to protect strategic areas along the shoreline and at sea. Last year, with the help of the authorities and the self defense forces and militia, the security forces discovered and made arrests in many cases of illegal departures. Compared to 1983, the number of ship hijacking has decreased by 70 percent, the number of illegal escapes by sea by 58 percent.

In the piedmont areas and in areas inhabited by large numbers of catholics, the security forces have taken care to establish many people's security cells to deal with the resistance activities of the reactionary FULRO. The basic level security forces have organized many activities and motivation campaigns to teach the ethnic population to depend on them to identify the enemy and help the more backward people.

The Thuan Hai security forces have been awarded the pennant for excellence by the Ministry of Interior since 1976.

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CSO: 4209/339

MILITARY AFFAIRS AND PUBLIC SECURITY

REPORT ON RESETTLEMENT PROGRAM

Hanoi QUAN DOI NHAN DAN in Vietnamese 7 Mar 85 p 1

[Articles by Pham Uyen and VNA: "The Country Has Successfully Resettled 660,000"]

[Text] In 1984, despite many difficulties such as the changeable weather in mountainous areas, the Chinese reactionaries' constant and provocative attacks on the northern borders, and the lack of funds, the resettlement program has achieved significant results thanks to the close leadership from all echelons and all sectors. The resettlement movement was concentrated in two main areas, the northern border area and the Central Highlands. In the last year, by implementing the policy of "government and people working together," many localities have fostered a spirit of self-reliance in their ethnic groups, they have used the government's aid money effectively and successfully established many important technical material bases. During the past year, these localities have completed 141 waterworks, 4 of which were hydro-electric projects; they have constructed 10 bridges and 718 km of roads to the highlands; built 180 public projects, and 1117 wells and drinking water tanks. These technical material bases were rapidly developed and geared toward production to improve the lives of the people in the resettlement areas. As a result, during the past year, 50,865 families and 237,550 individuals have been relocated at 415 locations, bringing the number of resettled people to 660,000 or 30 per cent of the total number of people to be relocated. A number of provinces have resettled a large number of people, among them Gia Lai-Cong Tum: 50,000 persons; Dac Lac: 35,000; Ha Tuyen: 24,000. In the resettled areas, 3,450 hectares of wilderness have been cleared, 1,630 hectares have been transformed into fields for intensive cultivation (including wet fields, terraced fields, and walled upland fields).

Hand in hand with pushing production in the resettled areas, these localities also paid close attention to consolidating new production relationships in order to build a force of civilians and militia to maintain political security.

Although the resettlement program has produced definite achievements, it is still not fully finished and still has definite limitations. In 1985, by overcoming the past year's limitations, these localities are continuing their efforts to push the resettlement movement a step further; they are looking to it to fulfill the vital duty of building the economy, expanding the culture, consolidating political security and national defense in the highlands; they are linking the resettlement program with production reorganization, with labor redivision within

whole districts; and they are linking resettlement with the allotment of land and woods, building up forestry resources by associating it with agriculture. We are determined to successfully resettle 43,155 more families, 254,200 more individuals.

Implementing the Party's policy of leading the highlands to progress to the same level as the lowlands, Dac Lac province has labored, in the recent past, to create favorable conditions for the resettlement of 5,700 families, with 11,000 laborers from the E De and M'Nong ethnic groups, in 75 hamlets, 21 resettlement villages and 21 state farms and state forests. Among them, 2,594 E De and M'Nong families comprising 6,277 laborers came to tend and tidy-up the woods, to cultivate coffee, rubber, sugar cane, etc.

Immediately after the liberation, all echelons and all levels of authorities motivated the E De and M'Nong to take part in the resettlement program, to congregate and, together, build [illegible]. Dac Lac sent hundreds of cadres to their villages to teach the people to construct waterworks, set up fields to cultivate wet rice, and to train cattle to plow. The province invested capital and equipment for the building of many water projects and to help the people clear the wilderness.

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MILITARY AFFAIRS AND PUBLIC SECURITY

DESIRABILITY OF STRONG LOCAL REAR SERVICES

Hanoi QUAN DOI NHAN DAN in Vietnamese 11 Mar 85 pp 1, 4

[Editorial: "Building Strong Local Rear Services"]

[Text] Local rear services have a special and important role in the people's war to defend the fatherland. Their mission is to locally provide the materials needed by the armed forces who operate in these localities to defend the sector.

In the past liberation wars, obeying the policy of "giving all for the front, for victory," our people have created a large rear services network with the "a jar of rice to feed the troops" and the "winter of the soldier" campaigns during the struggle against the French, with the "no lack of rice, no lack of soldiers" campaign (in the North) and the program to solicit rice, materials and food from the population (in the South) during the years of fighting the Americans to save the country.

Today, the local rear services are built on a technical material base fed by the local and central economies. The resolution of the Party's 5th National Congress states that "the central and local economies must concentrate on providing local rear services support to the task of defending the country." This is a new development in the rear services net, brought about by the latent force of a socialist economy, of a planned economy. This is also a basic factor in the marriage between economy and defense, between rear services and local economies.

Building a strong local rear services net is an essential element ensuring victory for the battle plan and defense in the local, people's war method. At the same time, this also supports the combat mission of the military units quartered in these localities. Based on the expansion of the latent force of local economies, the local rear services' mission is to serve as the medium for production, processing for storage and providing the armed forces with food, food products, staple commodities, construction materials locally and to coordinate between soldiers and civilians on matters of transportation, repairs of equipment and weapons, provide porters, communications and liaisons, etc. On the other hand, the armed forces operating in these localities also have the responsibility to help build the local rear services by pushing agricultural, forestry and fishing production, especially the production of food, green vegetables, forest nurseries, thereby helping to reduce supplies from the government and improve the soldiers' daily meals.

In practice the past years have demonstrated that the latent force of a socialist economy is a large source of supply for the military rear services, for the task of building the army and consolidating national defenses. This latent force guarantees that the armed forces can continue training, and are combat-ready, it guarantees mobilization and recruitment, the building of defense lines and defense projects, the building of communications public health and the postal service nets, the care and feeding of wounded soldiers, implementing armed forces rear services policies, etc...Today, this latent force also plays a large role in supplying the units defending the border and the off-shore islands in the battle against the expansionist, hegemonist, Chinese invaders.

Through a thorough understanding of the concept of the people's war for national defense by all the people and a thorough understanding of the two concurrent strategic missions of building and defending the socialist fatherland, many localities have exploited the combined strengths of different sectors, and created, step by step, a local rear services front that is getting stronger everyday, with many rich facets and measures.

Under the direct guidance of the Party's Committee echelons, many localities have drawn plans to build their local services from basic organizations to districts, to provinces, plans that are closely associated with the needs of the economic zones, plans that thoroughly exploit the potential of the land, the work force, the specific industries of each locality, plans that combine the economy of nationalized businesses, of collectives and individual families. The local military organizations are enthusiastically acting as general staff to the Committee echelons and the local authorities providing the planning for adequate rear services; at the same time they mobilize the involved sectors, localities and units to contribute their share toward a strong local rear services net.

The defense of the fatherland is one of the vital tasks of our Party, our people, our armed forces. Combining economy and national defense for each locality and each organization throughout our nation, especially in the provinces and districts near the Northern border, must endeavor to create a strong rear services front in order to ensure a victorious battle for the defense of the border.

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PARTY ACTIVITIES AND GOVERNMENT

HANOI PEOPLE'S COUNCIL REPORTS ON 1981-1984 TERM

Hanoi HANOI MOI in Vietnamese 16 Mar 85 pp 1, 4

[Article: "Resolution of the 17th Session of the 8th Hanoi People's Council"]

[Text] Editorial Note: on 12 March 1985, the 17th session of the 8th Hanoi People's Council unanimously adopted a resolution ratifying the Report on the Activities of the 1981-1984 term of the 8th Hanoi People's Council, the text of which is as follows:

The term of the 8th Municipal People's Council elected on 26 April 1981 has now expired.

The following is the report by the People's Council to the citizens of the city on the activities conducted during this term.

At the start of 1981, our municipality faced a situation in which production was declining. Supplies, raw materials, fuel, grain and food products were in short supply. The value of total industrial output in 1980 was only 79 percent as high as it was in 1979. Natural disasters caused serious crop failures in agriculture. Under the leadership of the Municipal Party Committee and the direct guidance of the Council of Ministers, the People's Council together with the various mass organizations, displaying the revolutionary-offensive spirit of initiative, constantly developed and enhanced the spirit of socialist collective ownership of the people. The working class and laboring people waged a steadfast and brave struggle to change and improve the situation, develop production, maintain political security, establish and maintain combat readiness and carry out their tasks of building and defending the capital.

The People's Council decided the socio-economic plans and budgets of the municipality for each year.

Industry: under the light of the resolution of the Political Bureau and the various resolutions of the Party Central Committee, we focused our efforts on implementing the decisions made by the government to stabilize and develop industrial production, improve enterprise management, increase the independence of enterprises, coordinate the plan with socialist business and make technological improvements and apply scientific-technological

achievements with a view toward raising both production quality and economic efficiency.

With regard to small industry and the handicraft trades, we amended and revised a number of policies regarding prices, taxes, distribution and the income of the laborer in order to stimulate the development of production.

The People's Committee guided the services and basic units in economizing on raw materials, making full use of discarded materials and backlogged supplies and broadening their cooperation with the provinces; in increasing their exports in order to import additional raw materials and supplies; and in amending several policies in order to develop the production of industrial crops. The People's Council adopted regulations on the use of electric power mainly for production, the protection of water sources and the use of water for the purpose of supporting production and the daily lives of the people.

In 1981, through steadfast efforts on the part of all sectors and levels, especially the basic level, we stopped the decline in industrial production. Industrial output increased by 13.6 percent in 1982 compared to 1981, by 8.8 percent in 1983 compared to 1982 and by 13.8 percent in 1984 compared to 1983. In 1983, local industrial was restored to the level of production reached in 1979, the previous year of record output. In 1984, local industry exceeded its record output for 1 year. The exportation of local industrial goods increased by 92 percent in 1984 compared to 1980 and the output of industrial consumer goods increased by 46 percent. Both the quality and aesthetic appeal of a number of industrial goods were improved and dozens of new products were introduced.

Agricultural production: during its 4th session, a session spent discussing the 1982 plan, the People's Council decided that positive steps had to be taken to develop the production of grain, continue to build the food product belt around the municipality, develop the production of industrial and export crops, develop the handicraft trades within agriculture, gradually build industrial-agricultural districts and actively apply scientific and technological achievements in both crop and livestock production. We continued to correctly and actively implement product contracts with groups of laborers and individual laborers. We implemented a policy that provides incentive for the production of a number of crops and species of livestock and initiated intensive cultivation to raise crop yields. During its 8th session, the People's Council decided to assign management responsibilities to the district level. Continuous natural disasters struck during the years from 1981 to 1984; however, as a result of the strenuous efforts made by farmers, the value of total agricultural output during the past 4 years rose at an average rate of 14.6 percent per year. Crop production increased by 5.6 percent and livestock production by 14.7 percent per year. In 1984, despite a serious natural disaster, both the yield and output of crops were higher than in 1980. Grain output increased by 25 percent, corn output by 50 percent, vegetable output by 10 percent, peanut output by 65 percent and tobacco output by 30 percent. The average rice yield for the year reached 54.7 quintals per hectare (1980: 47.4 quintals per hectare) and higher corn, soybean, peanut and tobacco yields were recorded. The size of the hog herd increased by 12 percent and the buffalo and cattle herd by 32 percent. Sales by farmers to

the state increased compared to 1980: grain: 57,000 tons compared to 34,000 tons; pork: 11,000 tons compared to 8,200 tons; tobacco: 2,200 tons compared to 957 tons; and peanuts: 2,500 tons compared to 400 tons. Today, the assignment of management responsibilities to the district level has been completed and has begun to have a good impact. The districts have reserve grain and capital in the form of foreign currency. With the exception of those places that were struck by the severe natural disaster, the living conditions of farmers are, generally speaking, stable and better than they once were.

The Lam Dong new economic zone has begun to produce agricultural and forestry products for sale to the state and production and living conditions there have been stabilized. During its 6th session, the People's Council issued a resolution on building the new economic zone development fund in order to continue sending laborers to Lam Dong.

During its 6th session, the People's Council emphasized the needs to increase the production of agricultural products, industrial goods and handicraft art products for exportation, execute processing and production contracts with foreign countries well, expand the cooperation with the provinces in export-import activities and provide stronger management in order to continue to expand our local exports and service activities, earn foreign currency and import additional supplies and raw materials for production. The People's Committee promulgated policies on each export crop, organized and developed the rug weaving, embroidery, lace and handicraft art products sectors and adopted a policy that provides incentive for basic units and the districts to develop their exports.

Although our investment capital is still limited, we have attached importance to investing in the expansion of enterprises while constructing a number of new enterprises, building water conservancy projects and constructing projects supporting agriculture. An important portion of our investment capital has been allocated to the construction of housing, water supply and drainage projects, schools, kindergartens and child care centers. During the past 4 years, the municipality made investments totalling 2,313,000,000 dong. New housing construction has increased with each year: 1981: 36,689 square meters; 1982: 42,410 square meters; 1983: 74,360 square meters and 1984: 110,100 square meters. In its yearly resolutions, while providing for investments in new construction, the People's Council has emphasized the need to allocate both capital and materials for repair work. Water supply and drainage projects have been expanded and their capacity has been increased. The municipality, in conjunction with the various ministries, widened the roads leading into the city, built the Thang Long Bridge and Chuong Duong Bridge, developed the capital rail hub and improved and developed the power network. During its 6th session, the People's Council adopted a resolution on the state and the people working together in housing construction and on organizing and mobilizing the people to participate in the capital's labor movement. This resolution was received well by the people. As initial efforts, they have constructed some 20,000 square meters of housing and a number of cultural complexes in the districts. Each year, the people have contributed millions of mandays to the construction of foundation projects, dikes and roads.

The People's Council and the People's Committee adopted resolutions designed to correct the imbalance in transportation and develop water route transportation and transportation by rudimentary means while building the North-South transport fleet. The transportation sector brought about initial changes in order to support production and everyday needs.

As a result of the development of production, business and the services and due to the efforts made by the finance and banking sectors themselves, the collection of additional revenues, frugal expenditures, the savings movement and the purchase of bonds, the budget was brought into balance and the cash situation has changed for the better.

Looking after the living conditions of the people is the foremost concern of the Party Central Committee, the government, the Municipal Party Committee and the People's Council. Living conditions are the result of economic, cultural and social activities. During its very first session and during all subsequent sessions, the People's Council discussed the pressing issues directly related to living conditions at great length.

We expanded the socialist commerce network and gained control of sources of goods in order to control the market in goods of primary importance. We improved the distribution of grain and food products and initiated the delivery of goods to the subwards, agencies and enterprises with a view toward upholding the right of ownership of workers and the laboring people in distribution. The commerce sector made efforts to expand its business and open additional sources of goods. In 1984, we issued a decision on transforming and managing the market of the seven primary product sectors. The collection of industrial and commercial taxes is being carried out in accordance with regulations. Attention has been given to the struggle against speculation and black marketing.

The rate of population growth directly affects living conditions. All of the annual resolutions of the People's Council have proposed ways to implement family planning.

During the past 4 years, we provided jobs to 94,000 persons. Despite this, the number of unemployed persons of work age is still high and demands that greater efforts be made to develop production within industry, agriculture, small industry and the handicraft trades, develop capital construction and the services...

The people of Hanoi, especially its manual workers, civil servants, cadres and members of the armed forces, are still encountering many difficulties in their daily lives. We expanded the payment of piecework wages within production. In the administrative field, we must urgently reduce the size of indirect staffs, administrative staffs and institute wage funds contracts. At the same time, we must expand the development of the subsidiary trades in order to generate additional income and organize phases during which subsidies are paid in order to reduce the difficulties encountered by wage earners.

Science and technology have developed. We adopted a municipality-wide science and technology program and many sectors and enterprises have been adopting

yearly plans on technological advances. Many scientific and technological projects have been applied. The innovations movement has developed and plans for the elementary and supplementary training of cadres and manual workers in technology and management are being implemented.

The focus of special concern on the part of the chairman of the Council of Ministers, the People's Council and People's Committee directed much attention toward the education of youths and teenagers. The People's Council has adopted specific resolutions on the construction, repair and security of schools; on providing school supplies to students; on the establishment of the Education Councils on the various level; on the establishment of school sponsorship funds; on the care and raising of children; on organizing games and entertainment for youths and teenagers; and on providing a comprehensive education, with importance attached to teaching morals and politics and providing occupational counselling within the general schools. The People's Council is currently planning the general middle schools and vocational and trade training schools and promoting supplementary education in culture and technology. During its 13th session, the People's Council issued a resolution on the movement to plant trees to provide timber for the repair of schools.

Attention has been given to providing the people with health care. The maintenance of public sanitation and disease prevention hygiene has been improved. The supply of medicine has been increased and the quality of medical treatment has been improved.

The People's Council issued a separate resolution on the movement among the people to clean up and beautify the city with a view toward supporting the life of the people. Under the resolution of the 16th session, we decided to expand outpatient treatment, organize medical treatment services on the subward level and, with state assistance, expand the village public health network.

The campaign to establish the civilized way of life is being organized. Efforts have been made to eradicate superstitions, corrupt customs and the decadent, reactionary culture. The policies concerning war invalids and the families of war dead have been implemented well. Increasingly large cultural and literary-art forces within the municipality have been mobilized to participate in the work of establishing the new culture and molding the new man in the capital.

However, we are not satisfied with the rate of economic and cultural development or the rate at which living conditions are improving. Productivity, quality and efficiency are still low in all economic activities. The transformation of small merchants and the improvement of market management are still proceeding slowly. Existing potentials are not being appropriately developed. Joint businesses and economic ties are weak. Many difficulties are still being encountered in everyday life. The results achieved from our efforts to establish the civilized way of life have so far been small. The maintenance of sanitation is still marked by many shortcomings.

With regard to security and national defense, the People's Council issued three separate resolutions on intensifying the revolutionary movement among

the people of the capital to maintain political security and social order and safety; on mobilizing the citizens of the capital to conduct patrols and provide security within residential areas; and on traffic safety regulations.

All resolutions dealing with yearly plans have set tasks to be performed in local military work in order to help strengthen the national defense system, complete phases of the military draft and intensify the training of militia and self-defense forces. The People's Council discussed the sending of reinforcements to the northern border. During the past several years, the plans assigned by the upper level have been met in all phases of the draft and all qualitative standards have been met. Reserve forces have been built up and trained in order to make them combat ready. Political security has been maintained and the maintenance of social order has improved in some respects. However, many violations of criminal law continue to occur and negative phenomena have not been effectively thwarted. Traffic order is a problem on which efforts must be focused.

The People's Council established the Nationalities Committee. In keeping with a People's Council resolution, the People's Committee adopted a plan to provide assistance to the members of the Dao Minority.

As regards the socialist system of law, the People's Council debated and contributed to the Law on the Organization of the People's Council and the People's Committee and the People's Council Election Law. It widely publicized these laws and organized a public debate to enable the people to contribute their opinions concerning the Code of Criminal Law.

The People's Committee, the People's Organ of Control, the People's Court, the public security sector and the Trade Union implemented Council of Ministers' Directive 128 on protecting socialist property. Changes for the better have occurred in the struggle to protect socialist property within agencies and enterprises.

Progress has been made in the handling of complaints. Some 70 percent of the complaints filed have been resolved by the various sectors and levels but many cases remain unresolved.

The People's Council has attached importance to protecting the interests of citizens and upholding the right of collective ownership of the people; however, law enforcement and compliance with the law within state agencies, social organizations and the armed forces and among state personnel and the people of the municipality are not being closely supervised. Laws are not being widely publicized within state agencies or among the people. Appropriate attention has not been given to teaching cadres, manual workers, civil servants and the people to respect the law, to live and work in accordance with the law. This is one of the reasons why many of the decisions made in response to complaints filed by the people, even court judgements, are not carried out fully. This has given rise to indications of lax social discipline and limited the results achieved in our effort to defend the democratic rights of the citizen; at the same time, it has limited the returns from our efforts to encourage citizens to comply with the law and our efforts to uphold the right of socialist collective ownership of the people.

During its present term, the People's Council decided to expand Son Tay City, establish the towns of Nghia Do, Duc Giang, Cau Giay and Dong Anh and addressed the boundaries of several subwards and villages.

During this term, 160 representatives have served on the People's Council. In mid-term, a supplemental election was held to replace four representatives who were transferred to other jobs. During its initial session, the People's Council issued a resolution on the organization and operating procedures of the council. The council has met once each quarter. Its sessions have been attended by anywhere from 110 to 120 representatives. The People's Council discussed the various socio-economic development plans and a number of symposiums. It has supervised the work of the People's Committee and the People's Court through reports submitted by them to the council. All sessions were well prepared. The quality of council meetings has been improved. During council meetings, representatives have debated and contributed many opinions to reports and proposals. They have queried and criticized the People's Committee and the various services and sectors. The shortcomings and weaknesses that must be corrected are: giving light attention to insuring that the socialist system of law is enforced and weak supervision of compliance with the law and resolutions. Council's relations with the people are not close and little is done to widely survey the opinions of the people before decisions are made.

The People's Council has established nine committees: the Plans and Budget Committee, the Legal Committee; the Industrial Committee; the Agricultural Committee; the Circulation, Distribution and Living Standards Committee; the Culture and Civilized Lifestyle Committee; the Education and Child Care Center Committee; the Public Health and Protection of Mothers and Children Committee; and the Complaints Committee. In 1983, in keeping with the Law on the Organization of the People's Council, we established the Secretary Committee and the Nationalities Committee, dissolved the Complaints Committee and assigned its responsibilities to the Secretary Committee. With the exception of the Circulation-Distribution Committee, which has met infrequently, all other committees of the council have met once each quarter to participate in drafting resolutions and in drafting the reports and proposals presented by the People's Committee to the People's Council. The Plans and Budget Committee has met regularly. The Legal Committee contributed many opinions to the Law on the Organization of the People's Council and the Code of Criminal Law. The Industrial Committee, the Public Health Committee, the Education Committee and the Cultural Committee have organized inspections to check compliance with the resolutions of the People's Council. The Secretary Committee has assisted the People's Committee in coordinating the activities of the various committees and inspecting compliance with the Law on the Examination of Complaints... However, the activities of the committees have not been regular. Little assistance has been given to the People's Council in supervising the People's Committee and the various agencies in complying with the laws and resolutions of the People's Council and these committees have not participated in agitating among the people to gain their compliance with the laws and policies of the state and resolutions of the People's Council.

All People's Council representatives have set good examples in complying with the law and policies of the state. They have displayed a spirit of

responsibility in debating and making the decisions of the People's Council. However, ties to the electorate are not close. The opinions of the electorate are not surveyed prior to the start of council sessions. The results of council sessions are not reported to the electorate. Efforts are not being made to propagandize and encourage the people to comply with laws, policies and resolutions or participate in managing the work of the state. Some People's Council representatives have failed to attend sessions without explaining their absence to council's presiding officers and some representatives have contributed little to the work of the council.

The People's Committee has displayed a full spirit of responsibility in preparing for the sessions of the People's Council. It has regularly reported on the various aspects of socio-economic work to the People's Council. It has respected and seriously accepted the opinions offered by representatives of the People's Council.

As regards those aspects of the activities of the People's Council, its committees and council representatives in which limited results have been achieved, it is the People's Council that bears the major portion of the responsibility.

Although the People's Committee has submitted reports on its work to enable the People's Council to supervise the activities of the People's Committee, it has not reviewed its management efforts before the People's Council nor guided the various services or the People's Committees of the wards, districts and cities in adopting a serious attitude toward the supervisory role of the representatives of the People's Council.

During this term, the People's Committee has made many efforts and much progress in the area of management. However, many shortcomings remain. In production, business and the other areas of work, the committee has yet to fully tap its own dynamism and creativity or the dynamism and creativity of the services and basic units. Some important jobs are being performed slowly. The committee is not working closely with the mass organizations or closely guiding the various services in order to coordinate the efforts of all sectors and levels and organize the successful performance of jobs. It has not promptly reviewed the advanced model units that have emerged in order to widely apply their experience. The People's Committee has not attached importance to inspections. The attitude of the committee has not been to take stern action against some services, wards, districts, subwards and villages that have failed to comply with certain decisions.

During this term, the Municipal People's Council, through the efforts of the working class and laboring people of the capital, under the leadership of the Party Central Committee and the Municipal Party Committee and under the guidance of the Council of Ministers, has brought about changes for the better. It stopped the decline in industrial production and set industry and agriculture on a course of continued development. Exports have increased despite the serious lack of balance in the economy and repeated natural disasters. Capital construction has increased with each passing year. Communications and transportation have improved. Continued development has occurred in science and technology, education, cultural work, public health,

sport activities and social work. Although the people are still encountering many difficulties in their daily lives, living conditions have been a matter of special concern to the government and the municipality. Political security has been maintained. Social order and safety have been improved in some respects. Achievements have been recorded in local military work, in the buildup of the armed forces, in helping to strengthen the national defense system and in the maintenance of combat readiness. These are encouraging victories.

However, our municipality must make even greater efforts to win even larger victories before we can meet the requirements involved in building and defending the socialist capital.

We must formulate long-term economic, cultural and social development planning and take an important step forward in developing our production and production forces, molding the new man and establishing the new way of life in accordance with the strategy that has been adopted.

We must also take an important step forward in the construction and management of infrastructure projects: housing, electric power, water, drainage, communications, information and post-telecommunications projects.

We must intensify socialist transformation, improve the management of the market and make every effort to quickly stabilize the economy and living conditions.

We must defeat the enemy's wide-ranging war of sabotage, maintain political security, maintain social order and safety, strengthen social discipline, eliminate negative phenomena, intensify the buildup of and strengthen the armed forces and be ready to deal with each scheme and act of the enemy.

Although these are extremely large and complicated tasks, we can succeed in carrying them out if we closely adhere to the party's line of firmly maintaining the dictatorship of the proletariat, upholding the right of collective ownership of the laboring people and simultaneously carrying out the three revolutions: the production relations revolution, the technological revolution and the cultural and ideological revolution, the key one being the technological revolution.

We are confident that the working class and laboring people of the capital, who are rich in patriotism and possess high political awareness as well as many creative talents, will win large victories as they carry out the tasks of building and defending the socialist capital, thereby proving themselves worthy of the high honors bestowed by the Council of State upon the compatriots and soldiers of the capital and making positive contributions to our tasks of building socialism and defending the socialist fatherland.

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ECONOMIC PLANNING, TRADE AND FINANCE

ECONOMIC EDUCATION, ECONOMIC THINKING

Hanoi GIAO DUC LY LUAN in Vietnamese Nov-Dec 84 pp 13-19

Article by Nguyen Dang Quang

Text The matter of economic education and forging economic thinking for all laborers, first of all cadres and party members directly operating in production installations and businesses in the national economy, has become an urgent effort by our party and state and, at the same time, is also the pressing need of the economy and the laborer himself.

This need and urgency are first of all due to to the stipulated task of building and managing the economy.

Economic activity is the foundation for other social activities and, at the same time, one of the most important tasks for our state now. This also is the field in which we have the most difficulties and also are uncovering the most deficiencies and shortcomings. Thus, the 5th Congress determined: "Satisfactorily organize training in scientific and technical knowledge, especially economic knowledge, for cadres, party members, and people. Train cadres and party members in economic leadership conduct, to have seething, urgent revolutionary zeal and a realistic mind, know how to conduct business and calculate effectively, and know how to discover and exploit the country's capabilities."<sup>1</sup> We therefore "should stipulate a system compelling leadership cadres and management cadres to study economic knowledge, bringing about an upswing in the economic study movement within the party and among the people."<sup>2</sup>

Presently, urgent tasks in changing economic management pose a series of concrete and new requirements for economic education and economic thinking. Changing economic management should not be construed to be simply changing specific economic operations, such as changing planning, implementing decentralization of management, changing policies on economic incentives, etc. Changing economic management also presumes and demands having important changes in the economic consciousness and economic thinking of the laborer.

Each type of economic mechanism should have, and it will create, an economist model with capability and quality, and with a way of thinking and style appropriate to it. For example, the bureaucratic, grant economic management mechanism we maintained too long "created a class of conservative, obsolete, dependent, irresponsible, inactive cadres...that could not effectively assess the economy

but needed simply to 'request orders be issued' from above, each and every one done in accordance with binding stipulations that were outmoded and lacked creative employment of policies and measures in the new condition."<sup>3</sup>

The new economic mechanism emerged, demanding that there be a new model suited to it, with higher economic concepts, a more profound level of economic thinking, and a new capability to implement this economic mechanism. Thus, Resolution 6 of the Central Committee of the CPV (fifth session) stated the requirement: strengthen economic education for cadres, party members and people: recompile economic management curricula to introduce into instruction in the system of party and state schools. Speaking at the 6th Plenum of the Central Committee of the CPV (fifth session), in the discussion about improving economic management, Le Duan said: "We cannot successfully manage the economy without...creating correct economic thinking within the ranks of leadership cadres and management cadres."

Thus, the task of economic education and forging economic thinking in the immediate years ahead in our country is to create change in the economic consciousness and economic thinking of the laborer in order to contribute to overcoming the bureaucratic, grant management mechanism and to stepping up the development of the new management mechanism. A change truly revolutionary in nature does not occur easily. The relatively independent nature of old economic consciousness and economic thinking that has existed for dozens of years now and is closely connected to the old economic management mechanism is a tremendous obstacle. It will resist (spontaneously or consciously) every change in economic management, even when the old system of economic policies has been replaced with a new, more rational one. Touching on such tremendous "dependence," Le Duan analyzed a typical example in the history of socialist economic management. He wrote: "An outstanding example everyone knows is when Lenin posed the question of shifting from the wartime communist policy to the new economic policy. Outlining the new economic policy and in order to carry it out, Lenin had to expend countless efforts to convince communists full of revolutionary zeal yet unfamiliar with economic laws that the new economic policy was absolutely not the policy of restoring capitalism but, conversely, the only policy there could be for Russia at that time, aimed toward defeating capitalism and transitioning to socialism."<sup>4</sup>

Economic education and economic thinking principally contribute to "tenacious persuasion," as Lenin did.

Changing economic management is not only posed to our country at the beginning of the transisitonal period but is routinely posed to all fraternal socialist countries. For scores of years now in the process of building socialism, the Soviet Union and other fraternal countries have regarded perfection of the economic management mechanism to be one of the tasks of prime importance to increase the production effectiveness of the entire national economy, exploit in depth the potential of the country, and develop the superiority of the socialist economy. To carry out this task, all socialist countries regularly stress, and increasingly stress to a more proper extent, changing the economic consciousness and level of economic thinking for countless laborers, especially leadership and direct economic management cadres, and overcoming the conservative, rigid state of affairs in economic perceptions and operation.

The 26th Congress of the CPSU affirmed: "Generally, we must recognize that perfection of the management organization mechanism does not condone conservative thinking. We cannot let the economic management mechanism -- a lively and developing mechanism -- conform to rigid and familiar forms. On the contrary, we must see to it that forms are suited to constantly changing economic tasks. The question can only be posed like that."<sup>5</sup> At the conference of the entire Central Committee of the CPSU in February 1984, comrade Chernenko emphasized a number of the special features of economic consciousness and economic thinking which the task of changing economic management demands in Soviet economic cadres: "manifest even higher autonomy at all levels, boldly explore and, if need be, take reasonable risks for the purpose of increasing economic effectiveness and strengthening the prosperity of the people."

Clearly recognizing the ever-increasing role of economic consciousness and economic thinking for the process of developing the economy in depth, all socialist countries are strengthening and perfecting the system of universal economic education and the system of economic training for key leadership cadres at all levels. The economic education systems are not wholly dependent on the Marxist-Leninist education system, generally speaking.\*

Economic education and economic thinking also are an important part of communist education, of the undertaking to build the new socialist man, and of the ideological and cultural revolution, and are closely related to the scientific-technical revolution and the struggle between the two paths of socialism and capitalism in our country presently. Only by posing the question on such a plane can new economic education be fully realized and correctly organized. Do not take the view that economic education is simply aimed toward providing economic knowledge and specific economic business, although this is an indispensable requirement. Economic education and economic thinking first of all falls in the ideological domain, the world concept and methodology of Marxism-Leninism. It therefore is posed to all laborers and must start from the very first step of the process of forming personality, i.e., at the general school level. The Soviet Union itself is raising and solving this problem under conditions of developing socialism. For the economic plight of our country presently, I suppose the matter of education in economic consciousness and economic thinking is more urgent, newer, and much more complicated. Let us take the matter of economic accountability as an example. The present requirement is to somehow provide economic education so that "each enterprise, worksite, state farm, cooperative, and store implements accounting. Districts, provinces, even sectors must do accounting. The entire economy must do general accounting... Each laborer also must do accounting."<sup>6</sup> To do so is truly a revolution in the field of our consciousness and thinking.

First of all, we should clarify -- on a number of principal features -- the essence and meaning of the concepts "economic consciousness," "economic thinking" and "economic education."

Recently, these concepts were extensively used in Marxist books and newspapers, especially in the documents of communist parties. In Vietnam we frequently say: provide training in "economic knowledge," in "economic leadership style"; "the economic study movement." We do not use the concept "economic education" nor the concept of economic consciousness and economic thinking. We only use terms which

are close in meaning to these concepts such as "have a realistic mind, know how to conduct business, etc.," "overcome the way of thinking and handicrafts style of the small producer," "the spirit of knowing how to conduct business," "solid, concrete way of thinking and practice of doing work with effective accounting." Recently, during Le Duan's speech at the 6th Plenum of the Central Committee (fifth session), the concept of economic thinking was used and outlined. He stated: "Correct economic thinking is firmly grasping and correctly outlined. Employing economic laws and matters of the socialist revolution in our country that are law in nature." At the same time, the directive of the Party Central Committee Secretariat, "On Disseminating and Organizing Implementation of the Resolution of the 6th Plenum of the Party Central Committee," also used the concept of "economic education."

In the Soviet Union, philosophy circles have, for the past 15 years approximately, been mentioning and discussing the concepts of economic consciousness and economic thinking. The question raised is: is it reasonable to assume or not that the scientific base and the essential must split into, in the structure of social consciousness, another independent form called the "economic form of social consciousness"? Is it reasonable to assume or not that the scientific base and the essential must split into, in the structure of scientific thinking, a special form of thinking called "economic thinking"? If the answer is "no," then the concept of economic consciousness and economic thinking has no reason to exist, or if still used they bear no definable scientific meaning with the status of philosophical concepts. Many recent philosophical projects on this question have given us the affirmative answer. Widespread opinion is increasingly approaching the point of "legal" acceptance of the philosophical concepts of economic consciousness and economic thinking.<sup>8</sup> There have been PhD theses successfully defending the question of economic consciousness. The documents of the CPSU frequently use the concepts of economic consciousness and economic thinking. For example, the resolution of the Central Committee of the CPSU, the Council of Ministers of the Soviet Union, the Central Committee of the Komsomol and the Central Council of Trade Unions of the Soviet Union, "Strengthen Economic Education and Instruction for the Laborer Even More" (1982), sets forth the task: "Indoctrinate in every Soviet citizen the concept of being master of the country, high economic culture and the communist attitude towards labor." The resolution of the June conference (1983) of the Central Committee of the CPSU again emphasized the need "to forge contemporary economic thinking, sensitivity and socialist business sense."

The result of research by philosophy circles of the Soviet Union enables us to visualize this as follows:

Immediately after the October Revolution, Lenin brought up the question of "economic education for the masses"<sup>9</sup> because at this time the management task had become the critical and central task of the dictatorship of the proletariat.<sup>10</sup> The essence of economic education, as Lenin outlined, was:

- Enable the laborer to know how to calculate money carefully and honestly, spend thrifitly, not be lazy, not be corrupt, and thoroughly adhere to discipline in labor.<sup>11</sup>

- Know how to honestly calculate their production and consumption, know how to practice labor thrift and continuously increase labor productivity.<sup>12</sup>
- Know how to organize inventory and control in business installations.<sup>13</sup>
- Know how to calculate in order to become master of the country.<sup>14</sup>
- Know how to combine revolutionary enthusiasm with the capability of a civilized businessman. Know commercial accountability and the art of conducting business.<sup>15</sup>
- Know how to use the economic weapons of the capitalist class itself to bring about its downfall.<sup>16</sup>
- Study the way to implement socialism in those who have organized into trusts in order to know how to organize production and distribution for hundreds of millions of people.<sup>17</sup>

Relying on the opinion of Lenin and the practicality of economic education, we can define the essence of economic education in socialism. This is: 1) form economic consciousness and economic thinking that conforms to the economic task and economic management mechanism in each phase; 2) educate the spirit of being true master of the country and the communist attitude towards labor and socialist property and high economic learning; 3) develop psychological-social qualities and essential virtues such as thrift, knowing how to calculate economic effectiveness, being sensitive to the new, having organizational sense, and socialist business sense.

Thus, economic education is not narrowly restricted to communicating and receiving economic knowledge. It also consists of the process of forming ideology (having class nature), the world concept, methodology and the capability of employment in economic activity. These factors give economic education ideological and practical tendencies and become the belief and way of life of the laborer. Economic knowledge can be used only to seek private gain for the individual, for the partial interest of the small collective, or for the interest of the entire society. Sometimes they have enough economic knowledge and know how to resolve a difficulty in the economy but still refuse to start. This proves that economic knowledge is only part of economic consciousness.

Economic consciousness, according to Popov, on the one hand is a compilation of ideologies, knowledge, viewpoints, feelings, frames of mind, etc., on the economy, generally toward a people, a class or a definite collective of people. The economic consciousness of the individual also includes other separate features. On the one hand, economic consciousness is the result of realization, of the direct reflection of the economic relationships of a definite mode of production in history and, at the same time, the manifestation of the attitude of the subject toward the different phenomena of society's economic life at a historic, specific point in time.<sup>18</sup>

Economic thinking, also according to Popov, on the one hand is the process of the consciousness of man reflecting and recreating economic relationships in the form of symbols, concepts, reasons, etc. On the other hand, it is the process

of man thoroughly understanding and firmly grasping the assorted, diverse economic information they have acquired through the channels of mass communications media.<sup>19</sup>

Economic thinking manifests the intellectual capability of man in recognizing the nature of economic phenomena; firmly grasping and putting into practice economic concepts, laws and theories, knowing how to determine the correct direction in a complex economic life, and knowing how to adroitly organize their economic activity.<sup>20</sup>

To more deeply understand the multifaceted meaning of the concepts of economic consciousness and economic thinking, we should analyze them on many different planes.

On the philosophy-economy plane, we note the relationship between economic activity and the activity of economic consciousness and economic thinking. The methodology used here is the dialectical unification among the activity, relations and consciousness of man. On the one hand, economic activity prescribes the form and activity of economic consciousness and economic thinking. On the other hand, economic consciousness and economic thinking govern economic activity with status as the factor combining economic activity, situated within the process of economic activity. According to F. Engels, "Spiritual factors naturally will be subordinate to production factors and will find their position in production expenditures and in political economics" because "we have two factors of production at work: the natural circle and man; man, in his turn, operating with his constitutional and spiritual attributes."<sup>21</sup> Thus, economic consciousness and economic thinking play a very important role in economic life.

On the epistemological plane we note the mutual effect between the object and the subject of economic consciousness and economic thinking. Here the object is social production, first of all the system of production relations. The more diverse, rich, and developed this object the more developed and insightful is economic consciousness and economic thinking. The subject of economic consciousness and economic thinking is the laborer, first of all direct material producers. This subject, while following its own interests, has set forth objectives and tasks to realize economic phenomena and use economic knowledge. To an important extent, the level of economic consciousness and economic thinking is dependent on the subject itself in the following respects:

- Economic education as the result of training
- The interest of the subject who realizes the economic process
- The positive level of economic activity by the subject<sup>22</sup>

The result is that economic consciousness and economic thinking adhere to the overall laws of social consciousness and reason, and has its separate characteristics which we can and necessarily must clarify in order to conduct economic education on a scientific and active basis.

Economic consciousness and economic thinking are also analyzed from the philosophy-history angle. On this plane we note that in the history of economic

ideology three model types of economic consciousness and economic thinking have surfaced, corresponding to three representative economies and connected with three representative classes in history:

- The small-scale production economy of the petty bourgeoisie class.
- The large-scale capitalist production economy of the bourgeoisie class.
- The large-scale socialist production economy of the worker class.

In many places in Das Kapital (especially where Marx criticizes the thinking of the well-known representatives of the classical bourgeoisie political economic subject), Marx outlines the characteristics of the economic consciousness and economic thinking of the producer. One of these characteristics is the nature of reflecting distortion of objective economic relationships which Marx calls the fetish nature. For example, Marx comments that in the production society the direct social relationship between the person and the person in their labor "embodies the material relationship between them and each other, and the social relationship between one thing and another." This absurd form itself "formed the category of the science of the bourgeoisie economy... these are the forms of objective thinking toward the production relationships of... merchandise production."<sup>23</sup> This fetish nature is pushed to the limit in capitalist merchandise production, is manifested in the idolization of money, and deifies the role of gold to the point of adulation:

"Gold is a marvelous thing! Anyone having it can have whatever he wants. Gold can even open the gates of paradise for souls" (Cologne - quoted by Marx in Das Kapital).<sup>24</sup>

At the same time, Marx also predicted that the nature of reflecting distortion through this form of economic thinking will fail in the production of future society in that the process of material production "will become the product of free men united and placed under the conscious and planned control of these men."<sup>25</sup>

Therefore, one of the important tasks of economic education and forging economic thinking this time is to condemn, criticize (in a highly convincing fashion) and overcome the type of "economic accounting" of small-scale, exploiting producers, distinguishing it from the economic consciousness and economic thinking of large-scale, socialist production we are starting to build. We say we "must switch to economic and business accountability" but not capitalist business. We say we must "study business to learn business" but not exploit one another. We require "production to compensate for expenses and bring ever-increasing profits" but not to run after money or run after profits. We are struggling decisively to obtain goods and money but not to idolize goods, money or gold as some people have extolled, "money is God!".

In summary, the time has come for us to clearly define the scientific and comprehensive meaning of the concepts "economic education," "economic consciousness," and "economic thinking," and realize the urgent nature of this question in order to more fully raise the consciousness and more effectively organize socialist education for cadres, party members and laborers, and contribute to stimulating the process of changing economic management in our country presently.

#### FOOTNOTES

1. "Van kien Dai hoi V" [The Proceedings of the 5th Congress], Vol 1, p 166.
2. Ibid., Vol 3, p 41.
3. Ibid., pp 50,51.
4. Le Duan, "CMXHCN o Viet Nam" [Socialist Revolution in Vietnam], Vol 2, Su That Publishing House, Hanoi, 1976, p 86.
5. "Van kien Dai hoi XXVI" [The Proceedings of the 26th Congress], Communist Party of the Soviet Union, Su That Publishing House, Hanoi, 1981, p 98.  
\* See the magazine GIAO DUC LY LUAN, No 2, 1984
6. Le Duan, speech at the 5th Plenum (fifth session).
7. See "Van kien Dai hoi V" [The Proceedings of the 5th Congress], Vol 1, pp 81, 164, 174; Vol 3, p 121.
8. See the magazine NGUOI CONG SAN [The Communist] (in Russian), No 15, 1982, pp 115-117.
9. V.I. Lenin, "Toan tap" [Complete Works], Vol 36, Tien Bo Publishing House, Moscow, 1978, p 181.
10. Ibid., pp 209, 211
11. Ibid.
12. Lenin, op. cit., Vol 36, pp 226, 214.
13. Ibid.
14. Lenin, op. cit., Vol 42, p 454.
15. Lenin, op. cit., Vol 45, p 425; Vol 44, pp 268,270.
16. Lenin, op. cit., Vol 43, p 428.
17. Lenin, op. cit., Vol 36, pp 313-315.
18. See footnote 8.
19. Ibid.
20. See V.D. Popov, "Y thuc kinh te: ban chat, su hinh thanh va vai tro cua no trong xa hoi XHCN" [Economic Consciousness: Its Nature, Form and Role in Socialist Society], Moscow, 1981, pp 144-153 (in Russian).
21. K. Marx-F. Engels "Toan tap" [Complete Works], Vol 1, Su That Publishing House, Hanoi, 1978, p 725.
22. See the magazine CAC KHOA HOC KINH TE [The Economic Sciences], No 1, 1984 (in Russian).
23. K. Marx, "Tu ban" [Das Kapital], Book 1, Vol 1, Su That Publishing House, Hanoi, pp 142, 147.
24. Ibid., p 250.
25. Ibid., p 154.

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ECONOMIC PLANNING, TRADE AND FINANCE

PRESENTING SEVERAL NEWLY-ENACTED ECONOMIC POLICIES

Hanoi GIAO DUC LY LUAN in Vietnamese Nov-Dec 84 pp 64-66

Article by T.C.

Text Editorial Comment: To assist readers in following the newly-enacted economic positions and policies of the party and state, beginning with this issue we wish to present the abbreviated version of a number of these as reference documents for you.

Following the 6th Plenum (fifth session), the Council of Ministers promulgated many documents and policies in order for installations, levels and sectors to implement the changes in the management mechanism set forth in the resolution. Along with many documents and policies for sectors, levels and fields of production, circulation and distribution, and the policy on science-technology, the Council of Ministers issued specific policies on prices and on reorganizing production and market management with a view toward implementing centralization of management by the state and, on the other hand, expanding the production and business initiative of production installations. Since August 1984, a series of decisions and resolutions by the Council of Ministers on selling and purchasing prices has been announced. These are policies aimed toward removing pricing entanglements in a number of sectors and a number of items needed to stimulate production and contribute to stabilizing prices on the market. These are the documents and policies:

+ On reorganizing production, a number of directives reaffirm a number of announced decisions and remind levels, sectors and installations to continue to carry out specific stipulations that have been enacted. A number of newly-enacted decisions are aimed toward rearranging production to contribute to increasing the effectiveness of production and unifying management of the economy. Decree No 118 HDBT dated 12 September 1984 is "on reorganizing the production of the federation of brick, tile, construction ceramics and porcelain enterprises and the federation of rock, sand and gravel enterprises."

In the document are cited the task of each organization and the necessity to rearrange production units in order to ensure unification of management from the central government and, on the other hand, to ensure that the units are able to carry on production and business and combat the grant bureaucracy.

The decree states: "- The federation of brick, tile and construction ceramics and porcelain enterprises and the federation of rock, sand and gravel enterprises directly subordinate to the Ministry of Building only manage units directly subordinate to the federation from Binh Tri Thien northward.

- Establish federation of enterprises and joint enterprises directly subordinate to the Ministry of Building."

+ On decentralizing grain management.

To ensure sufficient grain to supply promptly and to meet the needs of society, the Council of Ministers issued Resolution No 134/HDBT dated 16 October 1984, on "Decentralizing Grain Management." The resolution consists of the following main parts: part one: the resolution cites the necessity to decentralize the management of grain and the policies on managing grain decentralization in which point 4 states:

"4- Decentralize management logically to the localities (provinces, districts) on the principle of democratic centralism: on the one hand, ensure that the central government maintains the overall balance of the entire society, actively makes adjustments and distributes on a nationwide scale, unifies import and export, unifies leadership and guidance on planning and policies on mobilization, procurement and distribution; on the other hand, heightens the responsibility and expands the initiative of the locality in balancing grain within territorial limits by endeavoring to develop grain in conjunction with holding out the marketable grain portion."

The second part is the particulars on decentralizing grain management. The text specifically cites the tasks, functions and responsibility of the central, provincial and district levels (including specific stipulations on the amounts to be moved and to be retained for the levels); on mobilizing grain; on distributing and moving; on storing; on capital and the material base.

The third part of the resolution highlights decentralization of management and revamping the management structure. It states:

a) At the central level: the Ministry of Food is the organization responsible for managing all grain circulation and distribution activities and is the ministry directly managing a number of units engaged in receiving, storing, milling and distributing.

b) At the provincial level: each province has a grain service and a grain corporation directly subordinate to it which performs the supply and business task.

c) At the district level: there is a grain bureau and a district grain corporation.

(All levels have clear stipulations on the functions and tasks of each organization).

Finally, the resolution states that the shift to decentralization of management for provinces and districts and from grant administrative management to economic

accountability must be carefully planned and gradually implemented in close consonance with the circumstances of each locality.

+ On regulating a number of prices.

Decision 268 CT dated 30 July 1984, on the wholesale price for granulated sugar and for raw sugar.

The document has stipulations on the specific price for the two types of sugar as well as stipulations on the retail price in each locality for the purpose of guaranteeing market stability in each zone. It clearly states: "The wholesale prices for granulated sugar and for raw sugar assigned to the localities by the Ministry of Home Trade for ordinary retail sale are as follows:

Type 1 (RE) white granulated sugar - 110 dong per kilogram  
Cuban raw sugar - 60 dong per kilogram

The people's committee, on the basis of the price level assigned above, sets the ordinary retail price in the locality suited to avoid speculation and exploitation.

Decision 274 CT dated 1 August 1984, on the wholesale price of draft beer.

The main substance of the decision consists of:

"The wholesale price for draft beer assigned to the localities by the Ministry of Home Trade is 20 dong per liter.

- Entrust the people's committees of provinces, municipalities, and special zones directly subordinate to the central government to set the retail price for draft beer for ordinary sale."

To ensure cadres, workers, civil servants and the armed forces can use beer, the document also clearly states:

"The locality reserves a portion of the draft beer to sell to workers, civil servants and the armed forces at the current price of 10 dong per liter through the canteen system. The local budget makes up the difference between the higher and lower price for workers, civil servants, and the armed forces."

Decisions 271 CT, 272 CT, 273 CT, and 276 CT issued on 1 August 1984 are decisions on procurement in obligations and in two-way economic contracts for split rush, fine tea, jute, and tobacco. All these decisions cite the specific price stipulated for each type.

- "Adjustment of the purchase price for split rush is 3.2 dong."

- "Adjustment of the purchase price for 1 kilogram of kenaf:

Kenaf with tenons - 9.5 dong  
Fibrous kenaf - 5.3 dong"

- "Adjustment of the procurement price for 1 kilogram of dried tobacco in Cao Bang and Lang Son is 50 dong."
- "Adjustment of the procurement price for fresh tea in the following areas:

Northern provinces to Gia Lai-Kontum - 6.5 dong  
Lam Dong - 6 dong"

In all these documents there is the stipulation for organizations concerned that, on the basis of the stipulated price, set the specific price tailored to the given time period and region.

"The State Price Commission stipulates the specific price on the basis of the approved price level."

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EDITORIAL DISCUSSES FIXED ASSET INVENTORY, REEVALUATION

Hanoi THONG KE in Vietnamese Jan 85 pp 2-4

[Editorial: "A General Inventory and Reevaluation of Fixed Assets"]

[Text] To transform the backward economic situation of our country and advance it from a mainly small-scale to a socialist large-scale production system, we must absolutely carry out socialist industrialization. The fundamental factor must be the transformation of manual into mechanized labor in all sectors. Socialist industrialization is the process of creating a large mechanical industry capable of providing modern technical equipment and means for all national economic sectors and is also the process of creating real material and technical bases for socialism. Among these bases, fixed assets are the principal and most important part of the national wealth composition and concretely reflect the level of socialist material bases. Of all the fixed assets of national economy, productive fixed assets--the material substance of productive fixed capital--play the most decisive role. Realities have clearly demonstrated that the availability of capital (both fixed and floating) and its sound and highly effective activity are a prerequisite for stepping up production and socialist expanded reproduction.

Fully aware of the very important role of fixed assets, our party and state have promulgated many policies to rapidly increase them within the national economy even when our country was still plunged in a fierce war. Compared with 1960, the fixed assets in the material production domain in 1975 showed an increase of more than fivefold and the average increase rate of productive fixed assets was over 15 percent during the 1976-1980 period.

Over the past years, the fixed assets of our country have been formed from different sources and been increasing rapidly from both the qualitative and value points of view, thus creating important material and technical bases for the nation and contributing to great, broad and profound economic achievements. However, the activities of fixed assets in our national economy have neither exerted great effects proportionate to their existing potential nor satisfactorily met the pressing needs of production, daily life and national defense. Especially in recent years when the economy has undergone important changes, the overall situation of fixed assets has shown major modifications in structure, quantity, quality and value. Following the implementation of the new management mechanism, many problems directly related to the management and use of fixed assets have emerged and required urgent solution. Meanwhile,

fixed assets have been loosely managed and accounted for for a long period of time. Many units have been unable to know the amount and composition of their fixed assets. Losses, deterioration, insufficient use and very low depreciation of fixed assets are prevalent. This situation has not only led to heavy material waste but also created numerous difficulties for each unit, in particular, and the state, in general, in drawing up plans and conducting production and business activities.

To overcome the above-mentioned situation, to manage and use fixed assets with high economic effects, to build and develop the socioeconomic structure of the country in the coming years and, as an immediate and direct objective, to promote the formulation of the 5-year (1986-1990) socioeconomic development plan and to innovate and improve the management of state-operated industry, the Council of Ministers has decided to carry out in 1985 a general inventory and reevaluation of fixed assets in all basic units and production and business enterprises which are constituent parts of state economy in all sectors at all levels throughout the country.

The forthcoming general inventory and reevaluation of fixed assets are aimed at enabling all sectors, levels and basic units to reassess the overall state and production capacities of fixed assets managed by them, to reappraise various types of fixed asset according to the prices uniformly set for the entire country, to reevaluate the fixed capital of each basic unit, sector and locality so as to use it effectively, and to have a basis for rationally calculating production cost and depreciation and for writing off assets which are no longer effective.

The result of the general inventory and reevaluation of fixed assets will be materialized by a statistical index system which reflects accurately the amount, quality, status quo, composition and value (complete rebuilding price) of the fixed assets existing in each production and business unit and in each sector, locality and territorial zone, and which assess exactly the production capacities of equipment and machines, the extent to which they have been used and the possibility of increasing their output. Through the general inventory, it will be possible to establish a system of responsibilities, to further improve the management and use of fixed assets and to revamp the entire economic-technical filing system so as to put fixed assets accounting and management into the right track and prevent loss and wasteful use of the state's fixed assets. Thus, the demands placed on the forthcoming general inventory and reevaluation of fixed assets are comprehensive and mainly aimed at strengthening and improving planning and management according to the spirit of the resolution of the Sixth Plenum (Session V) of the Party Central Committee and Resolution No 156/HDBT of the Council of Ministers on "problems related to improving the management of state industry."

The veracious result of the forthcoming general inventory and reevaluation of fixed assets will provide one of the bases for the state to promulgate economic-financial policies and accounting systems consistent with the present socioeconomic situation and characteristics of our country during the first transitional stage. At the same time, this result will lay down specific conditions for enterprises to develop their initiative, creativeness and

financial independence and to uphold their right to assume responsibility by reinforcing the centralized and uniform management of the state with a view to exploiting all existing possibilities and potentials, overcoming difficulties, gradually establishing symmetry, positiveness and homogeneity among various aspects, raising the usability level of production capacities and ensuring the effectiveness of production and business activities.

The general inventory and reevaluation of fixed assets will be a general investigation in which the initial data will be obtained by applying the method of conducting direct, comprehensive and specific inquiries into each owner of fixed assets. This will be a professional task requiring close coordination of statistical and economic-technical methods and involving extensive participation of the masses. The general inventory and reevaluation of fixed assets will be a task of great economic and political significance. Therefore, the Council of Ministers has stated: "The general inventory and reevaluation of fixed assets will be a major, very important, difficult and complex task requiring adequate preparations and strict execution under the unified and close guidance of the Council of Ministers and heads of various sectors at all levels. The Council of Ministers requests that ministers and vice ministers of various sectors and people's committees of provinces, cities and special zones subordinate to the central level guide the proper implementation of this task in the sectors and localities within their competence and that they ensure strict and complete execution of directives, circulars, systems and regulations on the general inventory and reevaluation of fixed assets."

(Decision No 157/HDBT of 16 December 1983)

The success of the forthcoming general inventory and reevaluation of fixed assets will depend mostly on efforts to make all sectors at all levels from leaders to laborers directly engaged in production understand thoroughly and agree unanimously to the viewpoints and fundamental themes expressed by the party and state about innovations in the management of economy, in general, and fixed assets, in particular, as specifically indicated in Resolution No 157/HDBT of 16 December 1983 of the Council of Ministers, in the plan to conduct the general inventory and reevaluation of fixed assets and in other guidance documents--such as the rebuilding price list and the method of determining actual wear and tear of fixed assets--of the Central Committee for the Guidance of General Inventory and Reevaluation of Fixed Assets and of managerial and operational sectors at the central and local levels. Each basic economic units must make adequate preparations such as completing economic and technical files, accounting documents and books, especially fixed asset cards; preparing to organize the training of investigating cadres; making a fixed asset list for each basic unit and a list of reporting units subordinate to each sector and locality; and preparing material conditions such as charts and documents on professional orientation and expenditures and so on. Committees for the Guidance of General Inventory and Reevaluation of Fixed Assets at all levels must carefully inspect such preparations and draw up plans to guide and control reporting units throughout the period of general inventory and reevaluation of fixed assets.

With its responsibility as a sector whose function is to uniformly direct the accounting and statistical task in national economy as a whole, with its role

as a standing member of Committees for the Guidance of General Inventory and Reevaluation of Fixed Assets at all levels and with the practical experiences it has recapitulated from guiding many special inquiries, the statistics sector will certainly and most actively contribute to successfully carrying out the general inventory and reevaluation of fixed assets from the preparatory to conclusive phase and afterward to developing the result of this general inventory.

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ECONOMIC PLANNING, TRADE AND FINANCE

METHOD OF INVENTORYING, REEVALUATING FIXED ASSETS EXPOUNDED

Hanoi THONG KE in Vietnamese Jan 85 pp 5-8

[Article by Nguyen Luc, deputy director of Statistics General Department and member of the Central Committee for the Guidance of General Inventory and Reevaluation of Fixed Assets: "Problems That We Should Pay Attention to in the General Inventory and Reevaluation of Fixed Assets"]

[Text] In our country, socialist industrialization is one of the central tasks throughout the transition to socialism. Thought its specific targets and jobs are determined according to the strategic mission in each revolutionary stage, socialist industrialization is by nature a technical revolution to be carried out with the basic objective of transforming manual into mechanized labor in all sectors of national economy. Therefore, industrialization can be said to be a revolution of working tools of which fixed assets constitute the principal part and most decisive factor. For our country which is advancing from a backward agriculture with a predominantly small-scale production based on manual labor, a rapid increase and modernization and effective use of fixed assets have a deep and comprehensive revolutionary meaning to socialist construction.

Clearly aware of such an importance, our party and state have promulgated many policies to increase the fixed assets rapidly from the quantitative, qualitative and value points of view by drawing from different sources so as to build important material and technical bases for our national economy. To date, though our country is still poor, we can take pride in the network of assets and the existing and would-be production capacities of our national economy.

To manage and use fixed assets effectively, the accounting and statistical tasks on them have been carried out regularly. The state has repeatedly ordered the inventory and reevaluation of fixed assets (general inventory and reevaluation in 1957, inventory of fixed assets in south Vietnam in 1976, inquiry into production capacities in north Vietnam in 1973, general inventory and appraisal of nationwide fixed assets in 1980 and the recent inventory aimed at adjusting and raising the prime cost of fixed assets). Despite their specific results, these tasks have generally not fully met management and planning requirements. Especially in recent years which were marked by important economic developments, the state of fixed assets underwent major changes in structure, quantity, quality and value. The overall situation of fixed assets in national economy still presents many problems requiring urgent solution. In general, these problems are as follows:

--The prime cost of fixed assets is still too low (despite adjustments and an increase of three- to five-fold) as compared with the current wholesale prices of materials and especially with current international prices. With such a cost, it is impossible to calculate depreciation just for simple reproduction--not to mention expanded reproduction, modernization of fixed assets and accurate calculation of production cost.

The cost of fixed assets has not yet been assessed uniformly and is thus irrational in many aspects. The fact that different prices have been set for fixed assets that are of the same category and have the same features, properties and effectiveness but have come from different origins at different periods of time has caused irrationalities in calculating depreciation and expenditures, managing capital and estimating the effective use of capital.

Cost accounting and the management and use of fixed assets are still replete with shortcomings many of which have long lasted and led to deterioration and loss of fixed assets and to a very low coefficient of equipment and machine use, which has resulted in very serious waste.

To remedy the above-mentioned situation and to help all sectors at all levels and basic units take hold again of the overall situation of fixed assets under their management, accurately assess the actual state of their property and production capacities, recalculate the cost of all types of fixed assets according to the prices uniformly fixed for the whole country and reappraise their fixed capital in order to manage and use fixed assets highly effectively, to promote the socioeconomic development of the country in the coming years and immediately and directly to serve the formulation of the 5-year (1986-1990) plan and the policy and system to improve the management of state-owned industry--, the Council of Ministers has decided to organize the general inventory and reevaluation of fixed assets in all basic units and production and business enterprises throughout the country which belong to the national economy and, at the same time, to list the existing items to know the state of equipment and machines belonging to the fixed assets of units which carry out scientific activities. These tasks will begin at 0000 hr on 1 April 1985.

The general inventory and reevaluation of fixed assets is a major, important, difficult and complex task requiring tight coordination of all special, professional and technical sectors from the central to grassroots level. This coordination must be placed under the planned, direct, close and uniform leadership of the Committees for the Guidance of General Inventory in all sectors at all levels and must aim at meeting the following requirements:

1. Accurately assess the quantity, quality, status quo, composition and value of the existing fixed assets in every basic unit, production and business enterprise, sector, locality and territorial zone and correctly estimate the production capacity of equipment and machines, the extent to which they have been used and any possibility of increasing their output.
2. Uniformly reappraise nationwide fixed assets at their reproduction prices under the present circumstances--that is, their complete rebuilding prices (according to the rebuilding price list issued by the state)--create conditions

for every unit to determine exactly the total amount and composition of its fixed capital in order to manage and use it effectively; and formulate policies and systems of managing and using fixed assets such as those related to fixed asset depreciation and cost accounting, to production expenditures and manufacturing cost and to opportunities for enterprises to fully enjoy financial independence and to take the initiative in expanding production and business activities.

3. Through the general inventory and reevaluation of fixed assets, define the responsibility system, further improve the management and use of fixed assets, rearrange all accounting documents and economic and technical files, systematize the accounting and statistical task about fixed assets and prevent at all costs the loss, wasteful use and embezzlement of state fixed assets.

4. Clearly define the production capacity of each unit, economic and technical sector and territorial zone so as to have a basis for planning and reorganizing production throughout the national economy with a view to gradually remedying disproportionate relationships which have existed for many years.

These are general requirements; in particular, basic economic units are specifically requested to take advantage of the forthcoming general inventory and reevaluation of fixed assets to firmly grasp the quantity and quality of the existing fixed assets; to accurately assess the current production capacity of each unit, the extent to which equipment and machines have been used and the possibility of increasing their output; to calculate the fixed capital exactly so as to manage and use it properly; and to further improve accounting and the management and protection of fixed assets and to use them rationally in order to make all asset potentials of each unit highly effective. Therefore, the demand currently placed on basic units is really comprehensive with the main objective of facilitating the consolidation and improvement of the grassroots managerial system and promoting production development according to the spirit of the resolution of the Sixth Party Central Committee Plenum and Resolution No 156/HDBT of 30 November 1984 of the Council of Ministers on "some problems about improved management of state industry"--and not merely inventorying and then reporting back to the high level.

Through the forthcoming general inventory, all ministries, sectors and localities will obtain reliable data on production capacities, assets and capital in order to draw up plans to rationally distribute, regulate and use all the properties under their own management.

To satisfactorily meet the stated requirements and carry out the said tasks, it is first necessary to uniformly determine the scope and object of inquiries.

The scope of the 1985 general inventory and reevaluation of fixed assets covers all basic units and production and business enterprises subordinate to the state and joint state-private economy. This task will be carried out later in basic units belonging to the collective economy. During the forthcoming stage, units engaged in scientific activities will also inventory but not reevaluate the equipment and machines included in fixed assets.

These basic units are enterprises engaged in industrial, agricultural and forestry production, in capital construction, communications and transportation and in commercial and servicing activities and include also stations and farms; these enterprises apply an independent or dependent economic accounting system but compile their own lists of assets. Managerial units standing at a higher level than basic units with dependent accounting must create all necessary conditions (such as accounting documents, economic and technical files of each fixed asset and directives on the specialized aspect of general inventory and reevaluation of fixed assets) for the latter to perform their task satisfactorily. The list of units engaged in scientific activities and falling under the general inventory category will be drawn up separately.

Based on the overall plan of the Central Committee for the Guidance of General Inventory and Reevaluation of Fixed Assets, the Ministry of National Defense and the Ministry of Interior will draw up their own plans, proceed with the general inventory and reevaluation of fixed assets in production and business units falling under the managerial scope of their own sectors and directly report back to the Council of Ministers.

The object of the forthcoming general inventory and reevaluation of fixed assets includes the following categories of fixed assets of national economy:

--Housing, architectural items, machines and equipment that provide motive power, working machines and equipment, conductive and transmitting equipment, tools, working, measuring and testing equipment, transport equipment and means, managerial instruments, working and breeding animals, perennial plants and other types of fixed assets.

The basis and criteria for assessing fixed assets are constituted by the current state regulations, systems and principles which must be correctly implemented by all units; whenever difficult problems arise, these units must ask for the high level's opinion and strictly follow the state directives.

According to the overall policy, the above-mentioned fixed assets include some which must be inventoried only but not reevaluated and which are:

--Working and managerial tools and instruments (except calculators and equipment and managerial means mentioned in the list of machines and equipment belonging to fixed assets);

--Working and breeding animals and perennial plants;

--Cultural and artistic works, objects stored in museums and those to be preserved, areas with historic vestiges, books in libraries and works designed to meet daily needs and to promote rest;

--All types of weapons and equipment belonging to the armed forces; and

--Dikes, barrages, bridges, sluices and road (the Ministry of Communications and Transportation and the Ministry of Water Conservancy are responsible for inventorying all dikes, barrages, bridges and roads managed by them while localities must inventory the remainder which falls under their management).

--Moreover, the Council of Ministers has decided that, during the forthcoming general inventory period, all sectors and localities must grasp the situation (inventory the existing items and calculate the remaining cost of works) of all properties belonging to entire works and equipment which have not yet been built or the construction of which has been postponed. Though not yet considered as fixed assets, these properties must be inventoried in order to plan their administration and use.

All the fixed assets of diplomatic agencies located abroad and all the works belonging to complete equipment which are being built are not the object of the forthcoming inventory and reevaluation of fixed assets.

The result of the forthcoming general inventory and reevaluation of fixed assets must first be based on the following system of principal criteria:

The criteria for existing items are quantitative and qualitative ones and include the status quo of fixed assets and the output of equipment and machines.

The value criteria include:

--The former prime cost--that is, the full primary price of fixed assets. This criterion must be determined according to the prices currently mentioned in accounting books;

--The new prime cost--that is, the complete rebuilding value of fixed assets. This criterion must be fixed according to the complete rebuilding price list issued during the forthcoming general inventory period;

--Difference between the former and new primary cost;

--Depreciation figures compiled according to records and books--that is, the depreciation accrued until the inventory time;

--Degree of actual wear and tear including percentage of actual wear and tear plus the norm of actual wear and tear calculated from the complete rebuilding price. This criterion must be determined by applying uniform methods indicated by the Central Committee for the Guidance of General Inventory and Reevaluation of Fixed Assets and suitable to various types of fixed assets and consistent with currently available documents; and

--The remaining value based on the complete rebuilding price of the existing fixed assets minus the actual depreciation norm.

The above-mentioned criteria must be combined and compiled for managerial ministries, economic sectors, localities, territorial zones and the national economy as a whole.

To achieve the required results, the forthcoming general inventory and reevaluation of fixed assets must be carried out according to a unified method with the following specific principles:

1. It is an overall inquiry in which the initial data on each fixed asset must be collected directly and specifically. This means that inventory cadres must directly and actually examine and inspect by weighing, measuring and counting each fixed asset and must absolutely not rely merely on records and books to draw up reports; they must compare the actual figures with the book entries, clearly state the number of existing items and those which should have existed, give the reason for any difference between these figures and point out the responsible persons.

2. To avoid duplication and omission, it is necessary, after inventorying any fixed asset, to stick a label on it or mark it with paint. At the same time, it is necessary to neatly arrange and write down survey data on documents and accounting books according to system regulations and hence to ascertain straight away the state of assets and to clearly indicate which one is being used or has not yet been used, which one is unnecessary and which one needs to be repaired or written off.

3. The most suitable method for each type of fixed asset must be chosen by relying on the directive on determining and assessing actual wear and tear which has been issued by the Central Committee for the Guidance of General Inventory and Reevaluation of Fixed Assets and also by studying all the available economic and technical files and documents. At the same time, it is necessary to obtain the opinion of workers directly managing and using such type of fixed asset in order to fix a uniform wear-and-tear percentage and norm in a scientific, objective and accurate manner.

4. Based on the complete rebuilding price list of fixed assets issued by the state for implementation during the forthcoming general inventory and on the fixed asset nomenclature, all units must assess the price of the type of fixed asset under their management. In case some type of fixed asset is not mentioned in the price list, the unit concerned must inform the Guidance Committee and ask permission to apply the price of another type of fixed asset which falls under the same category and has the same function, use and output.

5. To assess the production capacities of production and business units, it is necessary to base calculations on the design output of the main equipment system of the whole production line or on the formal design (of state farms and forests) and on the production pattern. This is a very difficult task the end result of which must be to determine the actual production situation, the potential that can be mobilized in each stage of industrial cycle, and the uniformity of production line; at the same time, it is necessary to reaffirm the total amount of automatic and semiautomatic equipment and machines already provided for each enterprise.

The general inventory and reevaluation of fixed assets must be carried out according to the precept that it mainly behoves basic units to do this job themselves and that all the necessary conditions enabling them to do it satisfactorily must be created by all sectors and localities while the central level must give guidance and assistance and must control and urge all echelons to carry out this task. The sense of organization and discipline must be upheld and efforts concentrated on fully completing each work stage on schedule

and according to the task assignment program of the Council of Ministers. In particular, basic units must urgently rearrange all their files, documents, books, fixed asset cards and economic and technical documents related to each fixed asset; they must do so to have sufficient reference documents to inventory all types of fixed assets.

The general inventory and reevaluation of fixed assets is a complex special task to be carried out nationwide for a relatively long period of time (about 2 years from the preparatory stage to the conclusion) and requiring close cooperation between specialized, professional and technical sectors from the central to grassroots level. Therefore, this task must be conducted under the direct leadership of party organizations and administrative agencies at all echelons and according to a uniform plan. To apply this working method is to provide the most important factor to ensure the success of this task.

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CSO: 4209/385

ECONOMIC PLANNING, TRADE AND FINANCE

SLUM CLEARANCE IN HO CHI MINH CITY

Hanoi VIETNAM COURIER in English Feb 85 p 24

[Article by Le Thach Hai]

[Text]

Slums are a common phenomenon in the growth of big cities under the capitalist system. The situation is even worse in the underdeveloped countries, which have suffered from old and new colonialism. In the case of Saigon under US occupation, a third element came to make the situation truly desperate: during the war years, the brutal "rural pacification" policy of the United States and its stooges caused hundreds of thousands of rural people to leave their native villages and their fields for the "capital" where they lived in tens of thousands of hovels, in fact anything that could shelter them from rain and sun. A family for instance crowded into the body of a discarded taxi and made it their home for years. Small wonder that in 1971 an investigating team of United Nations specialists made this remark: "Something still worse than the existence of so many hovels in this city is the relative scarcity of even those hovels."

According to statistics from the General Housing Department of the Saigon regime, before liberation Saigon had as many as 3,200 hectares of its area occupied by slums. Recent investigations have provided more details: 28,000 hovels, 194,967 houses without running water, 122,877 houses without electricity and 124,011 houses without toilets. In 25,995 of those hovels, there is only 1—2 square metres of floor space for each person. But the most burning question is to rehouse the nearly 100,000 persons living in 16,821 shanties along the drainage canals. These hovels are not only dreadful dwellings but also pose a serious threat of pollution due to the garbage and human waste dumped into the canals.

Against such a background, the housing problem for this city of more than 3.5 millions with a very high population growth rate is a most urgent one.

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The resolution of the 3rd congress of the Party Organisation of Ho Chi Minh City and the resolution

of the City Party Committee dated April 10, 1984, gave top priority to the housing problem.

After on-the-spot investigations and careful discussions with the district and ward authorities, the city administration has worked out a bold programme to build 10,000 apartments for families of government employees and workers, disabled soldiers and revolutionary martyrs and members of the armed forces. This is to be carried out along with the removal of most of the shanties now standing along the canals. The programme is expected to be completed before April 30, 1985, the 10th anniversary of the liberation of Saigon. The cost involved is estimated at 1.2 billion dong. Of this, the city budget will bear 30 — 40%, a major financial effort in the present economic situation. The remaining 60% will be covered by the welfare funds of factories and enterprises and also by the population's own contributions.

Immediately after the programme was endorsed by the city, many districts set out to build houses in the framework of this plan.

In Tân Bình district, even before they were allocated money from the city budget, the authorities of the 9th ward decided to build four of the ten planned apartments with a view to rapidly rehousing people now living in the most precarious and unhygienic conditions. Other wards followed suit in a concerted effort to get 100 apartments ready for their occupants on National Day (2 September 1984).

The movement spread quickly to the entire city. Bình Thạnh district alone in 1984 completed more than 200 apartments, 20 of them with bricks contributed by the local organization of the Ho Chi Minh Young Pioneers. In the 10th district, after the completion of 80 apartments, the local authorities began the construction of 100 multi-storeyed houses in August 1984, and another 300 in November. Construction is also going apace in the 1st, 2nd, 5th, 6th, 8th, 11th, Phu Nhuan and Gò Vấp inner-city districts and the Duyêñ Hài and Cù Chi outlying districts. In Cù Chi in particular, with the number of disabled soldiers and revolutionary martyrs occupying a sizable proportion of the population, the local authorities have allocated 200 apartments to their families.

On the occasion of National Day 1984, 750 apartment houses were allocated. The plan to allocate 3,500 apartments on the occasion of the 40th anniversary of the Vietnam People's Army (22-12-1984) was also fulfilled. If account is taken of the nearly 1,000 families of working people, who were accommodated in houses not fully occupied by decision of the Prime Minister, in 1984 alone more than 5,000 families of working people were rehoused. This represents a significant step in the long-term programme for slum clearance.

The housing programme in Ho Chi Minh City has received effective assistance from many localities in the North, especially Hanoi, Haiphong and Thanh Hoa province, through the exchange of commodities from Ho Chi Minh City for building materials, especially cement. The Ministry of Building, for its part, has also helped speed up the building tempo in order to quickly do away with one of the ugliest vestiges of US neo-colonialism and the US war of aggression in the South. ●

CSO: 4200/918

ARTICLE SURVEYS LAM DONG PROVINCE'S PROGRESS IN 10 YEARS

Hanoi NHAN DAN in Vietnamese 3 Apr 85 p 2

[Article: "The Achievements of Lam Dong Province Over the Past 10 Years"]

[Text] Agriculture:

--Amount of area under the cultivation of grain: 34,000 hectares in 1976, 53,100 hectares in 1984.

--A 1.4-fold increase in crop yields between 1976 and 1984.

--Total grain output: 51,000 tons in 1976, 126,766 tons in 1984.

Livestock production: A two-fold increase in the size of the buffalo herd, a 2.4-fold increase in the size of the cattle herd and a 2.9-fold increase in the size of the hog herd between 1976 and 1984.

--Industrial crops: an eight-fold increase in industrial crop production between 1976 and 1984; coffee production is 2.6 times higher and tea production is 2.4 times higher compared to 1981; soybean production is four times higher and peanut production is 2.3 times higher.

Industry:

Prior to liberation day, the entire province had nothing more than a few small units processing coffee, tea, lumber and ceramics. Today, there is a network of industrial enterprises supporting agriculture consisting of the provincial and district machine enterprises, fertilizer enterprises and agricultural equipment maintenance stations. There are also tea, coffee and pine resin processing plants, silk reeling mills and a water supply network extending from Suoi Vang Lake to the municipality of Da Lat.

Forestry:

Forestry is a strength of Lam Dong Province. In 1984, the province planted 4.6 times more pine trees than it did in 1983 and repaired 3 times as much forest. From 70,000 to 80,000 cubic meters of timber and 1,800 to 2,000 tons of pine resin are harvested annually.

Production relations:

The province has established 85 cooperatives and 515 production collectives, thereby bringing more than 80 percent of farmers into collective production. It has settled nearly 2,900 nomadic families, more than 17,000 persons. Lam Dong has welcomed hundreds of thousands of fellow countrymen from other provinces coming to build new economic zones.

Cultural-social work:

The province has virtually wiped out illiteracy. One of every four citizens is attending school. School enrollment increased from 60,000 students in 1975 to 104,000 in 1984. The wired radio network has been expanded from the provincial level all the way down to the basic units.

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CSO: 4209/366

ECONOMIC PLANNING, TRADE AND FINANCE

DEVELOPMENT IN LAM DONG PROVINCE SINCE LIBERATION DAY SURVEYED

Hanoi NHAN DAN in Vietnamese 3 Apr 85 p 2

[Article by Nguyen Trung Tin, secretary of the Lam Dong Provincial Party Committee: "Lam Dong Today: 10 Years--New Changes"]

[Text] On these historic dates 10 years ago, the armed forces and people of Lam Dong, in close coordination with the rest of the country, staged a general uprising that brought down the Americans and the puppets, thereby opening a new chapter in the history of the province's ethnic minorities.

During the past 10 years, under the leadership of the party, the people of Lam Dong, upholding their revolutionary tradition and displaying both enthusiasm and confidence, have entered the stage of the socialist revolution along with the rest of the country.

Everyone from the French colonialists to the U.S. imperialists turned Lam Dong-Da Lat into a strategic rear area and one of the centers for training reactionary forces. Da Lat University, the National Military School and the Field Police Center--places which, with their large stores, restaurants and hotels, were playgrounds for reactionary officials, generals and colonels--created a stratum of persons who earned their livings solely by supporting the exploiters. Along with these persons, there were thousands of others who earned their livings through prostitution and thievery, tens of thousands of unemployed persons and more than 80,000 members of ethnic minorities who had been resettled in strategic hamlets. The living conditions of the various strata of the people were dependent upon aid from the U.S. imperialists and were very unstable. When we liberated the province, some 50,000 routed puppet soldiers and puppet government personnel remained within the province and created a very complex situation. Immediately after liberation day, FULRO forces and remnant troops continuously staged uprisings, fomented unrest and counter-attacked our basic level governments. In the face of this situation, we had to deal with major challenges: famine and disease threatened and the revolutionary masses were being controlled.

Overcoming these difficulties in order to advance the socialist revolution was an extremely complex matter. At that time, the party organization asserted: we must be determined to intensify the performance of the two strategic tasks: making every effort to restore and develop the economy and culture, accelerate

production, stabilize living conditions, carry out socialist transformation and build the material bases of socialism while establishing and solidifying the dictatorship of the proletariat system, suppressing counter-revolutionaries, maintaining political security, maintaining social order and safety and taking determined steps to achieve the four socio-economic goals set by the 4th and 5th Congresses of the Party. Today, following 10 years of hard struggle, Lam Dong has recorded important achievements in many fields and not only overcome the initial challenges it faced, but also brought about positive changes in the socio-economic structure of the province through the emergence of new factors, factors that have served as levers in the socialist revolution.

On the socio-economic front, one significant achievement of Lam Dong has been the gradual success achieved in resolving the grain problem locally. At present, the province is producing 260 kilograms per capita per year. Although this figure is still low, it represents exceptional progress to Lam Dong because, during the U.S.-puppet period, grain output was only 45 kilograms per capita per year. In 1976, we tried to resolve the grain problem but only managed to produce 150 kilograms per capita. The increase in grain output has come about primarily as a result of the development of wet rice and corn production through intensive cultivation, multicropping and the application of advances in agricultural science and technology. In the ethnic areas, we have greatly reduced the destruction of forests to make slash and burn fields and introduced the transplanting of wet rice and the use of livestock manure as fertilizer. Through the development of grain production, we gradually reduced the quantity of grain supplied by the central level and established a springboard from which to develop the economic strength of the localities with increasing effectiveness.

The production of perennial industrial crops has been restored and developed: the amount of area newly planted with tea increased 2.4 times and coffee 2.4 times in 1984 compared to 1976. The model unit in this area is Loc Son Village in Bao Loc District, which has developed in a rapid and stable fashion from 100 hectares of tea and coffee to more than 500 hectares of perennial industrial crops as a result of the party organization attaching importance to and establishing close ties among the state-operated, collective and household sectors, employing labor of the ethnic minorities at state farms and collectives and, in particular, closely tying the settlement of nomads to the development of agriculture, forestry and the garden economy.

The Da Lat vegetable and fruit growing area has made progress, having shifted a portion of its allocation of crops and commercial vegetable production to the planting of pharmaceutical crops, vegetable seed production and the production of carrots and western potatoes.

In conjunction with crop production, livestock production has been increased. The total number of livestock being raised has been increased two to three times. As a result, we now produce sufficient food products to meet the needs of the province and have surplus products to trade with a number of other provinces.

The forests are a strength, an important economic sector of ours. However, indiscriminate harvesting and the bombs, shells and chemical poisons dropped during the U.S.-puppet period caused severe damage to the forests. As a result of giving attention to promoting the regrowth of forests and preventing and controlling forest fires along with harvesting the forests in a planned manner, the forests are being restored. With the cooperation of the GDR, pine forests have been planned and zoned.

Prior to liberation day, industry, small industry and the handicraft trades were crippled and dependent upon foreign countries. We have established ties between industry and agriculture and have been working to establish product groups utilizing local raw materials. Many tea, coffee and pine resin processing plants, lumber mills, ceramic shops and so forth are being strengthened and expanded. We are gradually increasing the capacity of the Bao Loc Silk Reeling Mill, which currently has a capacity of 35 tons per year, and the network of provincial and district machine enterprises, fertilizer enterprises, agricultural equipment maintenance stations... The value of total industrial output has been increasing at the rate of 4.5 percent per year. Under the guideline "the state and the people working together," we have developed and expanded our material-technical bases. Of these, the Suoi Vang Water Works, which supplies water to the municipality of Da Lat, is an important material-technical base, one that has assisted the central level in taking over, improving and developing old facilities, such as the Da Lat Nuclear Institute, the Bao Loc Sericulture Center, the Pasteur Institute, the Army Military Academy and Da Lat University, and in the expansion of the Phi Vang State Dairy Farm.

The new, socialist production relations have been established. Through transformation, hundreds of state-operated economic units have been established, the output of which constitutes 32 percent of the gross social product. Steady progress has been made in the agricultural cooperativization movement. The alliance of workers and farmers has been strengthened with each passing day. The socialist commerce network has taken shape quickly... One major victory of wide-ranging significance that we have recorded in recent years has been the efficient distribution and utilization of local labor combined with the welcoming of tens of thousands of citizens coming from other provinces to build the new economic zones of Hanoi, Da Huoai, Di Linh, Cat Tien and Ta In. As a result, Lam Dong's population has increased by 38 percent compared to 1976. Despite this increase in the population, the gross social product and national income have risen each year and progress has been made in controlling the sources of goods through procurements as a result of the development of production. Total cash revenues in 1984 were three times higher than in 1981. Product obligations to the state have always been met and exceeded. The local budget is balanced and a significant surplus has been established to carry out expanded reproduction and develop many social welfare projects. Today, every district has a hospital and practically every village and subward has a public health station. There is one doctor for every 55 citizens and nearly one of every four persons is attending school. While these figures are not high, they do represent a major effort to a mountain province that was shackled by the demagogic policy of the enemy for hundreds of years. We virtually wiped out illiteracy within only 2 years following liberation. Within the municipality of Da Lat, all citizens of school age now

have a level I education. Malaria is no longer pervasive. Cholera has been extinguished. The radio and wired radio networks have been expanded all the way down to the basic units in the remote ethnic areas. Attention is being given to war invalids-social work and the army's rear area policy.

On the security-national defense front, the proletarian dictatorship system has been quickly established and constantly strengthened. Thousands of members of FULRO have surrendered or been captured, including generals and colonels on the central level. This victory has been won because of the party organization's ability to put together a combined strength. The principal measure we have employed has been to mobilize the masses, especially women, to appeal to their loved ones who made the mistake of joining FULRO to return to them. We have also uncovered and weeded out a number of other members of FULRO who were living among the people. At the same time, we have steadily improved the overall standard of living of the ethnic minorities through the settlement of nomads, the development of wet rice and perennial industrial crop cultivation and the development of the forest industry. We have expanded the education, public health and wired radio systems into the mountain villages and opened boarding schools for ethnic youths. A policy has been adopted to encourage ethnic children to attend colleges and vocational middle schools. We have truly created the conditions for all ethnic minorities, including the followers of FULRO who have come back, to be the enthusiastic and confident masters of their villages and thereby help to build and defend the fatherland. The model units in this regard are the Dam Ron area of Lac Duong District and the N'Thoi Ha area of Duc Trong District.

While intensifying our activities in other areas, importance has been attached to building the party politically, ideologically and organizationally. In 1984, our party organization grew at a rate seven times faster than in 1976. The number of cadres who have a middle school, college or post-graduate education has risen to 7,227. More than 500 ethnic cadres from the provincial to the basic levels have received formal school training. Many of them have been elected to the executive committee of the provincial party organization and as National Assembly deputies. There is broad unity among all the people under the banner of socialism and the revolutionary spirit of the various strata of the people is constantly growing. However, these achievements are not commensurate with the latent potentials and strengths of the province. There are still some shortcomings and weaknesses, such as the failure to promptly change our thinking and organization to keep pace with new requirements and tasks and the fact that neither the party organization nor the people are displaying a high spirit of self-reliance. The progress and changes that have been made in economic management have not been uniform or truly strong. Productivity, quality and efficiency are still low.

On the basis of the party's line on socialist construction and the characteristics and potentials of the province as well as its achievements and experiences over the past 10 years, the party organization and people of Lam Dong, under comprehensive socio-economic development guidelines, are working hard to establish an industrial-agricultural-forestry economic structure at an early date and advance agriculture one step toward large-scale, socialist production. Efforts to resolve the grain problem are being directed toward the two main crops of wet rice and corn. We will open additional areas

devoted solely to high yield wet rice and corn. Determined efforts will be made to establish balance between population growth and the local production of grain and food with a view toward laying the groundwork for developing our other strengths better, beginning with the development of perennial industrial crop production. Tens of thousands of additional hectares will be opened to the cultivation of tea, coffee and mulberries in all three segments of the economy, among which the state-operated segment will play the dominant role, collectives will serve as satellites and the household economy and garden economy will be an integral part of the collective economy.

We will attach importance to the forest industry, especially to the establishment and development of tens of thousands of additional hectares of pure pine forests and Tre and Nua bamboo forests. We will establish centralized, large-scale, specialized growing areas that are closely tied to the local processing industry and establish ties and cooperation with other provinces. The central level will establish groups of main products of increasingly high quality, such as tea, coffee, silk cocoons, lumber, fiber, paper pulp and so forth, thereby raising the total value of local industrial output by 65 to 70 percent. While intensifying the development of the strategic, leading sectors of the economy, all other economic-technical sectors will be developed in a corresponding and well coordinated manner. Special importance will be attached to scientific and technical work because its climate and ecology make Lam Dong a place that is unique. Special attention will be given to developing our abundant sources of hydroelectric power and expanding the network of medium and small-scale hydro-electric power stations in order to provide ample sources of electricity for production and the daily lives of the people. Lam Dong is a region of special products of value at home and abroad. Therefore, we will increase our exports and imports even more, expand the domestic and international tourist and service sector and raise our annual revenues from these activities two to three times. We will show greater concern for cadre work and give attention to training cadres locally and promoting young, women and minority cadres. Many economic-technical, cultural-social and security-national defense complexes will be established within the province and its districts, municipality, cities, new economic zones and nomad settlement areas. Every locality and basic unit will be both a cell of a unified economy and a solid fortress ready to fight and win victory.

To stimulate Lam Dong's steady advance, the improvement of economic management in keeping with the spirit of the resolution of the 6th Party Plenum will be gradually carried out in order to dismantle the management system characterized by subsidization, eliminate the bottlenecks that exist in production and business, heighten the spirit of collective ownership of the people, develop production, improve the standard of living and keep pace with the rest of the country in the party's glorious cause of building socialism and defending the fatherland.

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CSO: 4209/366

ECONOMIC PLANNING, TRADE AND FINANCE

BRIEFS

SETTLEMENT OF NOMADIC PEOPLE--Nomadism and shifting cultivation are common practice among ethnic minorities in Vietnam. A major economic policy now is to persuade them to settle to a sedentary life, develop production, culture and social activities, and enjoy stable living conditions. In 1984, throughout the country 50,865 more households with 237,550 members settled to a sedentary life in 200 places, bringing the total of resettled people to 660,000 or 25% of the total to be resettled. In the above-mentioned 200 places, the resettled people have cleared 3,500 hectares of land, built water conservation works of medium and small size, roads, bridges and other public-interest projects. In 1985, efforts will be made to resettle 43,515 households with 246,-412 members in another 280 places. A number of provinces--Quang Ninh, Lang Son, Vinh Phu, Ha Son Binh, Bac Thai--will strive to complete their resettlement work in 1985. [Text] [Hanoi VIETNAM COURIER in English Feb 85 p 23]

CSO: 4200/918

HEAVY INDUSTRY AND CONSTRUCTION

NEW CONTRACTS CUT WASTE, INEFFICIENCY IN CONSTRUCTION

Hanoi NHAN DAN in Vietnamese 9 Apr 85 p 2

[Article by Hoang Thanh Dong, director of Housing Construction Corporation Number 2 (the Hanoi Construction Service): "Housing Project Construction Contract in the Capital Hanoi"]

[Text] During the past several years, Housing Construction Corporation Number 2 (the Hanoi Construction Service) has been using various forms of contracts with construction units, such as contracts let out under the building contractor system and contracts for individual projects or large project items. These projects have begun to have the effect of raising the sense of collective ownership of construction workers. Labor productivity has risen by 20 to 30 percent within each unit and the income of the average worker has risen by 15 to 25 percent. The quality of construction is better. Architectural units and building material supply and transport units have been giving more attention to the preparation of designs, estimates and blueprints and delivering building materials to sites on time.

However, as a result of encountering many difficulties in supplying building materials and coordinating the use of construction equipment, contracts have only been applied to wages and work time and do not encompass all the costs incurred by a unit in producing a finished product. When the supply of building materials is interrupted, both contracts with contractors practicing economic accountability to construction units and contracts for individual projects or items are affected. In addition, bonuses for increased labor productivity and for economizing on building materials and supplies are small. It can be said that, in construction, we have failed to fully avail ourselves of the advantages afforded by these contracts, especially those based on contractors practicing economic accountability to construction units.

Since 1984, Housing Construction Corporation Number 2 has been gradually improving its management and contracting with building contractors. This is a relatively simple form of contract used to account for the production costs that make up finished construction costs. These production costs include the cost of supplies, equipment use costs, labor costs, wages and all other costs and real expenses incurred in the production of one unit (in housing construction, one unit is 1 square meter of housing). Under this kind of contract, accounting must be practiced for each group of laborers and each

individual laborer, thus compelling them to be concerned with the results of their work as measured against contract quotas. The laborers of the unit, including the unit head, are offered material inducements and bear material responsibility for the results of their unit's operation. This also equates to monetary control of every activity involved in the construction of projects built under contracts. To implement its contracts with building contractors, the corporation drafted a code of temporary regulations for the corporation director governing both the contracting party and the contractor. The contracting party, that is, the corporation, is responsible for making initial preparations for the unit, such as preparing the construction site, the design file, the construction estimate, blueprints, the construction rate plan, the material and equipment supply plan, the plan for keeping statistics, observing the work being performed and conducting quality control inspections, and evaluating results for the payment of wages and bonuses. If the unit performs its work well and maintains the stipulated rate of construction, it will be paid a bonus by the director as provided under these regulations. The contractor is the construction unit. Each cost relating to manpower, building materials and the use of construction equipment and all other costs and auxiliary expenses provided for under the current policy are included in the cost of the finished job and paid for as specific items. If the construction unit meets or exceeds its stipulated rate of construction, meets qualitative standards and completes the job at less than the estimated cost, it receives a bonus equal to roughly 30 percent of the total profit. If it works slowly, makes mistakes related to job quality or allows an accident to occur, the construction unit must pay damages or do the work over again. The construction tools used by workers are computed as part of the finished cost of a square meter of housing. Workers must pay for them if they become lost. The materials used on a project are calculated against the estimated ceiling. Units that store materials well and use them in an economical and rational manner receive a bonus. Units that permit more than the allowable percentage of materials to be wasted or lost are penalized. Bonuses and penalties can be as high as 70 percent of the value of the materials saved, wasted or lost. These measures have truly coordinated the responsibility for all jobs. On the basis of achieving high labor productivity, insuring project quality, working the required number of productive hours and days and displaying a good sense of organization and discipline, when income is distributed (through the wages and bonuses paid monthly), each cadre and worker of the unit receives three types of income (wages, bonuses and a shift meal payment) which are paid in three classes, class A, class B and class C, with the differential between one class and the next being 20 to 30 percent.

The construction contract for the five story housing project at 31 Ly Thuong Kiet Street in Hanoi was awarded to unit 3 of construction site number 4. The project, although it measured a total of 334 square meters, was constructed on a narrow site bordered on three sides by civilian homes and in the front by a large street along which pedestrian and vehicular traffic is heavy. Although a good construction plan had been selected, the unit still encountered numerous difficulties, such as having to change the project's design two or three times. Only one-third of the electricity needed for the operation of equipment was supplied and there were times when power was cut off completely. Supplies arriving at ground level were arranged in order of priority; however, some types were not on hand when needed and some did not meet specifications

(weak bricks, leaky panels and warped doors) and had to be fixed. Under the old method of operating, the unit, even though its materials were of poor quality, would still have been required to maintain the planned rate of construction and pay the wages required under its contract. However, exercising the independence given to it, the unit attached importance to quality and flexibly adjusted its plan and construction materials to suit its situation at each point in time. When adequate materials, electricity and water were available, it worked in three shifts. When materials, electricity and water were in short supply, the unit's members took turns taking the time off they were due. On the basis of the estimates handed down by the corporation, the unit flexibly adjusted the wages and bonuses it paid in such a way as to provide each of its members with a high degree of incentive. Each time a preliminary review of its work was conducted, anyone who met the standards for excellent work received a 10 percent bonus from the total wage fund. Anyone whose unauthorized absences from work significantly affected the unit's operation was made to pay a penalty equal to two to three times his bonus (this penalty corresponded to the number of days of unauthorized absence that significantly affected the unit's work) or had the class of his bonus reduced.

As a result of the concrete, flexible and positive measures taken in contracting with this unit, the project was started on 1 April 1984 and completed on 31 October 1984, some 2 to 3 months earlier than projects of comparable size constructed under the old management method. The quality of the project was rated good. Materials were not damaged or lost. Equipment was used quite efficiently. The average income of each cadre and worker of the unit rose from 700 dong (projected) to 800 dong.

The economic efficiency resulting from the management improvements made within construction units is quite high. We are now learning from our experience in order to expand this method of operating.

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HEAVY INDUSTRY AND CONSTRUCTION

HANOI READER CITES HO CHI MINH CITY SUBWARDS AS GOOD EXAMPLES

Hanoi NHAN DAN in Vietnamese 9 Apr 85 p 2

[From Readers' Letters column: "The Experience of Ho Chi Minh City in Building Strong and Solid Subward Should Be Studied"]

[Text] The editorial that appeared in the 27 March edition of NHAN DAN Newspaper entitled "Building Solid and Strong Subwards" emphasized the importance of the subward level within our three level system of government. The party newspaper pointed out: the subward is the place that implements the right of collective ownership of the working people on the basic level, the place that implements the mechanism "the party leads, the state manages and the people exercise ownership" and the place that directly carries out the two strategic tasks of building and defending the socialist fatherland within the cities and each position and policy of the state. The subward is also the place that directly organizes every aspect of the people's life.

The party newspaper also introduced us to a number of model subwards within Ho Chi Minh City that have taken the correct approach by developing each existing capability and potential that lies in the labor, trade skills, liquid capital, means of production and workshops of their people to step up small industry and handicraft production and promote socialist business. We readers were excited to learn that production is being stepped up within the subwards of Ho Chi Minh City, that abundant sources of goods are being created, that the living conditions of the people of the subwards are being markedly improved, that there is ample legitimate work for subward residents and that their income is stable and rather high, as a result of which the maintenance of order and security has improved. We applaud the subwards of Ho Chi Minh City for attaching importance to organizing the life of the people and truly concerning themselves with the distribution of each product. These subwards have grown and become the masters of the market. They have carried out the transformation of private commerce. They have punished persons engaged in speculation and black marketing. They have campaigned among the people to pool their capital and set up marketing and consumer cooperatives. They are distributing goods in a convenient and fair manner. Many subwards have tapped the spirit of ownership of their people in organizing child care centers and kindergartens, building athletic fields and building recreational facilities

for youths. Many subwards have instilled in their people an awareness of keeping the subward and city clean and orderly, of keeping their appearance cultured and wholesome.

We suggest that the various levels of the party organization, from the ward and city party committees upward, especially the Hanoi party organization, study the experiences described above and launch an emulation movement to develop the subwards in the example of the models presented in the party newspaper.

Making the country's 800 subwards solid and strong is an effort that will have a major impact. The life of city dwellers will be improved, the subwards will be able to maintain political order and security and social safety and the confidence of the people in our ability to overcome the difficulties being faced in the life of society will be strengthened. Strong and solid cities will have a major influence upon the countryside and unleash a new revolutionary spirit throughout our country. The goals that have been set with regard to building subwards that are solid and strong can be met if the various party committee echelons and levels of government within the municipalities and cities concern themselves with organizing this emulation movement well.

Vu Chinh  
(Cua Dong Subward, Hanoi)

7809  
CSO: 4209/366

HEALTH, EDUCATION AND WELFARE

INSTRUCTION IN DEMOGRAPHY: PSYCHOLOGICAL, SOCIAL PROBLEMS

Hanoi VIETNAM COURIER in English Feb 85 p 25

[Article by Nguyen Van Hung]

[Text] At present, Vietnam is one of the countries with the heaviest population pressure in the world. Thus demographic instruction has become a problem of concern to the State, and has been tackled by the Ministry of Education. However, it has met with many obstacles caused by popular prejudices, chiefly among the older people. A public opinion poll has been conducted recently by the Institute of Education in a number of schools in Hanoi and Ho Chi Minh City to gather data for the elaboration of a program of demographic education.

The people interviewed were school students attending the terminal classes of secondary general education, students of vocational schools and teachers' colleges, and teachers of basic (primary) and secondary general-education schools. All of them are townspeople except in the case of a number of students of vocational schools, who have been living in the countryside until a few years ago and who account for 10% of the total. Eighty-three per cent of the persons polled are under 35 (over 50% are under 20), some among the teachers are above 50; 57.3% are women and 42.7% men. Thus the poll was carried out among the "most educated" section of the population, those who are in the best position to receive demographic education, a novelty in this country.

The above-mentioned investigation was aimed at assessing the grasp of the problem by the

people and their attitude toward birth control and sex education. After being told of the objectives of the survey, the persons questioned gave their answers on the spot, in writing and without any preliminary exchange of views among them.

The results of the poll show that the proportion of people lacking even a minimum of demographic knowledge is quite large, 39.6% of the total (37.6% for men and 41.5% for women). Many of the people questioned cannot give accurate figures on the present population of Vietnam and its growth rate. Some believe that those who can grow enough food need not engage in birth control, or that in order to develop the national economy, it is necessary to increase the population. Those who are completely in the dark about contraceptive measures make up 40.7% of the total. The situation is even worse among the women (46% against 34% for men).

To the question "How have you learnt about contraceptive measures?" few answers mention formal courses or talks (2 — 4.7%) and instruction by parents (2.7%). Most of the knowledge in this matter has been acquired from books or derived from information given by friends and neighbours (80%).

Over eighty per cent of the persons questioned are eager to receive instruction about birth control; they approve of the pro-

pagation of contraceptive measures by the mass media, and think that this should be conducted among the youth at large, including unmarried people. Most agree that demographic education should be included in the curricula of secondary schools and colleges.

To the question "Why is birth control necessary?" most of the persons polled give reasons related to the family and ethics: e.g. the need to raise the living standards of their families (41.4%) or to have better conditions to look after their children (61.8%). Little reference is made to personal and material interest, such as the wish for a happy private life (0.7%), or better health for the mothers (18.9%). This accords with the long-standing tradition of the Vietnamese family according to which the parents will think of their children's happiness before they think of their own.

Another obstacle is the concern for "male offspring". Indeed the Confucian view was that "of the sins of filial impiety, having no male descendants is the most serious". This view is perhaps no longer dominant. However, people still think that girls would go away with their husbands once married, while only boys would live with their parents and support them in old age. It is because of this desire to have at

least a male child that many couples would continue to beget children until they get a son.

That is why people wanting to have at least 3 children account for a fair percentage (17.2% for men and 11.9% for women).

The traditional concept of a happy family with many children is no longer practical in towns or cities as the townspeople are facing more problems in getting adequate housing and child care, while in the country where manual labour still prevails, families need more hands for their farm work. The old saying that "as heaven procreates elephants, it will provide enough grass to feed them", a plea for large families, still has currency.

Demographic education is now an urgent problem in our country. But its acceptance by our people will not be easy owing to many prejudices regarding love, sex, marriage and the family. Aware of the great importance of the demographic problem, the Vietnamese Government has set up a Commission for Demography and Family Planning and demographic education has begun to be dispensed to the population, not only in the towns but also in the countryside, particularly in the mountain regions which are still lagging behind culturally and are burdened with backward customs.

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